THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

An Analysis of Canton Bolshevism

By Samuel H. Chang

The Attack On Julean Arnold

China's Changing Appetite

By Tom Doyle

The Recent Trouble in Mukden

By Paul Scherer

許密勒評論報

SATURDAY, MARCH 20, 1926

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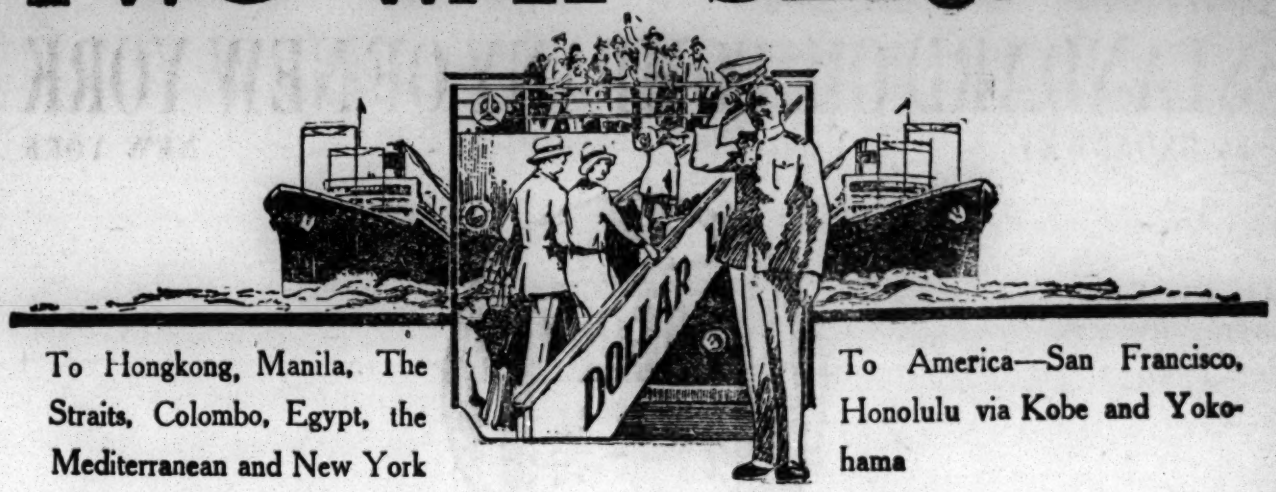

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THE ATTACK ON MR. JULEAN ARNOLD

THE *North-China Daily News* on March 8 gave chief position on its first news page to an attack on Mr. Julean Arnold, American Commercial Attache in China, on account of certain statements which Mr. Arnold is alleged to have made in the course of an address delivered last December before the Boston Chamber of Commerce. The article, which has attracted some little attention among Chinese and foreign interests, was written by Mr. Rodney Gilbert, Peking correspondent of the *North-China Daily News*. The paragraph from the newspaper report of Mr. Arnold's address which stirred the ire of Mr. Gilbert, was this:

> "Speaking of the political situation, Mr. Arnold reminded those present that they should not rely upon newspaper headlines for information, and stated that matters were by no means as disturbed in China as was commonly supposed. He said that there were over 12,000 Americans at present in China, most of whom were quite untouched by any political disturbance."

IN commenting on this reported statement by Mr. Arnold, Mr. Gilbert wrote in part as follows: "Since every foreign resident of China who reads the American papers feels that the chaotic state of China, the menace to foreign vested interests and to trade of the incessant civil war, and the determined hostility of the Chinese extremists under Russian guidance to all foreigners, are much too conservatively depicted in news reports from China; and since the American public is already much too inclined to be sentimentally indulgent with China and too liberally dosed with deliberate misinformation from both Chinese and foreign sources; the Americans who represent big firms here feel that Mr. Arnold, who knows conditions well enough, has gone out of his way to lull the public into a sense of false confidence in China at a time when the real gravity of the situation should have been explained to augment the meager news reports which the Attache instead discredits. The statement that most of the Americans in China are untouched by political conditions is condemned as being still more misleading, unless Mr. Arnold meant and explained that the majority of his fellow countrymen had not been physically abused. In no other sense has any foreigner in this country been untouched by what are called for convenience political conditions in this country. Millions of dollars—at least 50 millions—in machinery and supplies have been advanced to the Chinese Government by American firms and remain unpaid for while the militarists reduce them to junk and ruin the railways and other assets of the Ministry of Communications which would normally supply

security for such advances. There is no big business house in China, American or other, which now thinks of profits. They are all either pleased to cover overhead, or rejoice in such heavy overdrafts with the banks that the latter are forced to keep them out of the bankruptcy courts.

"Not even the missionaries are untouched, but in the face of real physical danger and propaganda hostile to their faith and work, are more keenly conscious than any other class that times have changed and that everything is all wrong. In the mere matter of the cost of living Americans in China are very much touched by political conditions and in what might be called their spiritual ease, their general peace and comfort of mind, all foreigners are so profoundly affected by the great change for the worse in the temper of the Chinese people that even the Legation folk in their Quarter feel and remark upon it, while those who leave our communities now, go with a feeling of relief and a determination not to return, commiserating with those who are not yet ready to get out, which is a change in attitude—directly traceable to political conditions—of which no one could have conceived a few years ago when all residents grew into the China communities like tenacious weeds and had literally to be uprooted when their affairs forced them to go elsewhere. It would be interesting indeed to be brought face to face with any American who has been in China more than five years, here long enough to know what China used to be, who feels that his life is "untouched" by China's giddy political descent into anarchy."

THE remainder of Mr. Gilbert's article which ran to about two columns, consisted of an interview with a certain unnamed American resident of Peking who apparently felt on the subject pretty much as Mr. Gilbert did, since this person is quoted as saying that "we need a representative in Peking to tell the Legation what American interests out here really are when our diplomats, in their splendid isolation, are in danger of confusing American interests with China's aspirations, as expressed by the Bolshevized mob; and we need a representative in Washington or New York to tell the press and the people exactly how things stand in China whenever a Chinese diplomat, or an over-sympathetic missionary or a scatter-brained tourist, or one of our own public servants feels called upon to depict China as a pleasant and placid field, wide open to the commercial pioneer, where the sower of little seeds of capital can reap a rich harvest without fear of molestation from beast or weather. America shapes policy here for the majority of the great Powers at this juncture and unless American policy, based largely upon misinformation and misunderstanding such as this clipping contains and inspires, is radically altered by some conspicuously foolish Chinese act, we shall have to try to do what our resources will permit to alter it. The alternative is exodus."

IN order to be fairer to Mr. Gilbert than he was to Mr. Arnold we have quoted several paragraphs from Mr. Gilbert's article in the *North-China Daily News*. Mr. Gilbert only quoted one paragraph from a newspaper report of Mr. Arnold's Boston address and then based a two column attack upon Mr. Arnold and American policy upon this meager information—an example of poor sportsmanship,—to say the least. Since Mr. Arnold is now supposed to be on his way back to China, and has always in the past been able to defend himself to the extent of at least ten words to his critic's one, we will leave the matter of Mr. Arnold's defense to Mr. Arnold. We agree with Mr. Gilbert that conditions are disturbed in China and a glance through the columns of the *Review* since its establishment some nine years ago will show that we have, on occasion, expressed ourselves on this point. But in passing we can't help calling Mr. Gilbert's attention to the official consular figures covering the American population in Shanghai, recently published, which show that the American population at Shanghai has constantly grown since 1914 when China first began being disturbed in earnest. The figures as issued by Mr. E. S. Cunningham, American Consul-General, are as follows:

1914	1659	1920	2921
1915	1707	1921	2999
1916	1892	1922	3094
1917	2198	1923	3120
1918	2421	1924	3418
1919	2860	1925	3485

SINCE registration for American citizens is not compulsory as it is for other foreign nationalities out here, the Consulate always estimates that the real population is about ten percent larger than the registration figures show. Assuming that this is correct the American population at China's chief commercial port must now be something like 4,000, which is more than double the figures for 1914, the year of the beginning of the World War. Then if Mr. Gilbert desires more information, we have it from the U. S. Department of Commerce that the United States is now participating in China's foreign commerce to the extent of practically 25 percent, an increase from about 6 percent at the beginning of the war. Although the statistics covering the American population in China generally are not available, the present number is estimated at 12,000 which is also double the number of Americans in China in 1914. Again, we disclaim any intention of controverting Mr. Gilbert's broadside about China's political chaos. Mr. Gilbert earns his living by writing that sort of material and he does a good job at it. There are many foreigners residing in China, persons, "who have been here more than five years," as Mr. Gilbert puts it, who like to read Mr. Gilbert's diatribes on China's chaos and far be it from us to interfere with their pleasure or Mr. Gilbert's livelihood. But the facts and figures indicate, from the American standpoint, at least, that both the American population in China and American trade with China, have increased steadily right through the chaotic period. And not to be outdone by the Americans, the *Tageblatt*, leading Berlin newspaper, recently published an article with figures showing that the number of German firms in China is now greater than before the war and the business turnover is also said to be greater. We do not have the Japanese and British trade with China, but we believe that the customs figures showing imports and exports have steadily risen, also through the chaotic period. It is also a fact that the populations of China's chief ports have steadily increased and that the construction of new factories shops, department stores, banks and office buildings and modern style residences has been nothing short of phenominal. We don't know why this has all happened, but it has happened, despite the chaos. Mr. Gilbert is absolutely correct when he says that China has no central government; when he tells us every day or so that the country is over-run with bandits and uncontrolled soldiers; when he alarms us over and over again with stories of vast devastated interior districts; when he frightens us with his vivid accounts of the Bolsheviks sweeping down from the bleak North and up from the torrid South. But despite it all China seems to worry along and her multitudes

continue to eat rice and an ever increasing measure of foreign things, to wear better clothing, live in better houses (in the treaty ports at least), to buy more machinery for their factories and so on.

THE trouble with Mr. Gilbert and with the followers of his cult is that they are still living in the bygone days of the old diplomacy before China got out of hand; in the good old days when unequal treaties were blessings; in the happy times when China paid her Boxer Indemnity installments without a murmur; in the happy years when a note from the Diplomatic Corps to the Chinese Foreign Office produced a miniature earthquake; in the good old days before the war when the Powers were all good friends and Locarno Pacts and League Councils had not been invented. But these times have changed and there is no bringing them back. One needs but read what is now going on in Europe to realize that times have changed, and that conditions have changed both in the East and in the West. China is now out of hand and thousands of Chinese men and women who used to think that a foreigner was a sort of superior God—or Devil—now realize that he is made out of pretty much the same kind of clay that goes into the makeup of the inhabitants of the Flowery Kingdom, the only difference being in the outside color. We like to read Mr. Gilbert's articles in the esteemed *North China Daily News*, but we can't help but wonder occasionally whether this constant and destructive critictism does not make a bad situation still worse. Mr. Gilbert's only solution is armed intervention, something manifestly impossible at the present stage of international politics, or if you please, domestic politics in a dozen or more bankrupt, or at least financially-embarassed nations which used to count large in the affairs of the Orient, but which do not count for much any more. And since armed intervention is out of the question there is no other way out except to accept the inevitable and try to negotiate as we are doing now—a new basis of relationship between the East and the West.

UNDER-SURFACE WAR BETWEEN JAPAN AND RUSSIA

IT ISN'T often that the casual traveler is able to gain more than a superficial knowledge of conditions in the Far East, but this seems to have been the exception with Mr. Theodore W. Noyes, editor of *The Washington Star*, who spent considerable time in China last year. The following editorial summarizing the military situation in China was written by Mr. Noyes upon his return to America and appeared in the *Star* on February 7 last:

"The Chinese are traditionally the least warlike of peoples, but all existing conditions tend to make the Chinese militant.

"China is the battlefield of under-the-surface war between Russia and Japan for supremacy in Asia; between Great Britain and Japan for trade supremacy; between China and Great Britain as representative of the Powers over unequal treaties and alleged hurtful and humiliating discriminations, and between Chinese war lords for possession of provincial and national revenues. Even the expanding spirit of nationalism is tainted with bolshevic hatred of the foreigner and tends to inflame the people to unaccustomed militancy.

"China is cursed today with more than a million of mercenary soldiers, living on the country, harrying and robbing the farmer coolies.

"Soviet Russia, to retain its grip on Canton, on Tientsin and on Mongolia in preparation for a renewal of its struggle for all-the-year seaports, has been arming and training steadily increasing thousands of Chinese soldiers. Japan, to meet this menace, has been supplying arms, munitions, military advisers and training officers.

"If Russia and Japan continue competitively to swell the multitude of armed and trained Chinese soldiers instead of co-operating to aid China to disband them and put them to work, they will be heading toward disaster.

"History suggests that these armed millions will not always fight for hire against one another, but will combine in the end sufficiently to expel the Russians and Japanese and all militant foreigners alike, and then take the offensive.

"Unified China should develop into its strength, not as the Ishmael among nations whose hostile hand threatens the world, but as a welcome addition to the family of modern great nations, whose friendship the rest of the world desires and values."

Mah Jongg Popularity Less in U. S.

The Green Dragon is all forlorn and the East Wind is sighing unendingly, for those millions of Americans who two or three years ago opened their homes to the ivory-faced visitants from the Orient have apparently forgotten all about Mah Jongg.

Statistics of Chinese exports to the United States during the year 1925 which have been compiled by Edward S. Cunningham, U. S. Consul-General here, reveal that America's expenditure for Man Jongg sets imported from China during the year was precisely G$945. And this compares with exports which ran into hundreds of thousands of dollars annually some three or four years ago, and which swiftly became so important an item in America's total purchases from China that American consular officials here were instructed to keep their records of mah jongg exports as a special classification.

The speedy decline in popularity has brought bankruptcy to many manufacturers and exporters who saw visions of limitless fortunes in the American market. All of them have now been forced to unload their stocks of sets in China, where Mah Jongg, fortunately for them is still being played by millions with the same fervid interest that attached to it centuries ago—but where $5 or $6 is considered a large price to pay for a set.

Trade Opportunities

The following trade opportunities have been received by the United States Trade Commissioner, 3 Canton Road, Shanghai, from American business houses desiring to be put into communication with local firms for the purposes noted. Further information regarding any inquiry may be had upon application to that office.

Hack Saw Blades and Saws: Manufacturers of hack saw blades and saws are desirous of placing their product on the China market.

Electrical, Radio and Automotive Equipment: San Francisco manufacturers and exporters of electrical, radio and automotive equipment wish to make connections with manufacturers' representatives in China.

Kerosene: California Importers-Exporters and Manufacturers' Agents have requested to be placed in touch with some firm or individual in China who would welcome a reliable connection for the purchase of kerosene.

Motor Trucks and Coaches: Responsible dealer representation in Shanghai wanted for well known make of motor trucks and coaches, Catalog, price list and export data on file.

China Products: New York importer of Sheep's Wool, Campher, Egg Yolk and Albumen and Vegetable Oil Seeds wish to be put into communication with Shanghai firms interested in establishing direct trade negotiations in the American market.

Insulating Lumber: Manufacturers of Insulating Lumber wish to secure a representative in China. Descriptive literature on file.

An Analysis of Canton Bolshevism

BY SAMUEL H. CHANG

A little group of willful men, having been inspired by an inflexible purpose and being efficiently assisted by a willing, but not altogether altruistic, foreign people, throw their gauntlet at the feet of all who stand in their way of accomplishing the purpose. The little group of willful men consists of the personnel of the Canton Government; their inflexible purpose is to terminate all foreign influences, both good and bad, in China; and the very helpful but not altogether altruistic third party is no less than the Executive Committee of the All-Russian Soviet Council of People's Commissars.

Such being the case, those are who accustomed to, and persist in, hindering China's progress for their own gains throw up their hands in horror and cry "Bolshevism". At the same time those who are prejudiced against Lenin's exotic product as well as those who are ill-informed, due either to a complete dependence upon an anti-Bolshevik press or to a lack of appreciation of the social and economical differences between China and Russia, echo the cry and pronounce the Southern Government "Red". The cry is further loudened, throughout the country, by the alarmists who assert that Sun Yet sen's successors are practicing communism: So, what Lenin had found to be impracticable for his own countrymen his disciples are operating successfully for another people who are, in both their economical development and political experience, far behind the Russians: The Bolsheviks have stopped at no expense in their propaganda and have worked their way to the heart of many a Chinese; but no part of their program has been more effective in engaging the attention of the Chinese public than the activities of the anti-Reds themselves. The main strength of the Bolshevik in China lies in his numerous denouncers. Like the legendary Antaeus, the more his enemies knock him down to the ground the stronger he becomes. Had the anti-Reds been contented with letting Moscow's agents alone we would not have heard so much about communism and Canton would have been none the redder for them.

The Experiment of Canton

This, however, is not saying that Canton is free from any Bolshevik influence. The Central Executive Committee of the Kuomintang has openly declared that Leninism is Sun Yet-senism and members of the Left who stand sponsors to the present regime are finding in their futile way sufficient spiritual kinship with Lenin's successors. On the other hand, it should be expected, perhaps, that Bolshevism, in travelling from Moscow to Canton, cannot arrive in first class conditions; for, if the Bolshevik rule in Russia prototype of the Southern Government, then, in all probability, it would be to China's advantage were she thoroughly Bolshevized. At best, the Canton regime is a proposition of mutual utilization between Moscow's astute politicians and the Kuomintang's youthful and ambitious leaders. On the part of the Soviets, the scheme is twofold: first, to ensure a profitable market in China for Russian industries; and, secondly, to challange Japan's hegemony in the Pacific as well as to undermine Great Britain's influence in the Far East, For the Kuomintang, there is the one fervent hope of a united China, unfettered by imperialistic designs and unhampered by foreign interference, for the fulfilment of which hope the Party is looking toward Moscow for inspiration and guidance. There is no denying that the experiment is on and one must watch it with an open mind—to do this scientifically requires reliable data and trained and unprejudiced observers.

It should be pointed out at the beginning that while the Canton Government is not creating a political millenium even within the province of its jurisdiction, it is, nevertheless, awakening the political consciousness of the people by innovating various of local forms civic centers which are the nearest approach to popular government that can be found anywhere in China. One hesitates to attribute to these crude forms of local autonomy true principles of democracy because they are still in the experimental stage, and the people of Kwangtung, like all other peoples who have learned by hard experience, are learning by blundering. In many cases, judging from the price they pay, it seems doubtful whether the goal, when attained, will be worth the cost. But one should not be forgetful of the pitiful sacrifices made by all democratic governments of the world in the process of their establishment and of the fact that modern political democracy is a new and vague conception in the mind of the Chinese. Already some of the local organizations are attesting a veneer of true republicanism which is a decided advance compared with the bogus republican reign at Peking. One may listen to the Kuomintang's declaration of adherance to the "Three People Principle" and the "Five Power Constitution" with a great deal of skepticism, not because one doubts the sincerity of the Party's intention; but rather because it took the Father of the Revolution years of labor to explain the several postulates of the two simple sounding laws of government and it is quite doubtful whether the inexperienced leaders of the Party understand what their late chief meant. Still one cannot help feeling that Dr. Sun's successors are not deviating from his path. His death-bed message must be still ringing in their ears: "The revolution is not yet completed and it is necessary to continue it." Is it any wonder that the Party's leaders are carrying the revolution to the man in the street.

Concerning the man in the street and his connection with the Canton Government somewhat detailed explanation will be helpful, if not necessary, for one's understanding of the much heralded proletariat dictatorship in the South; because it is in the mass that this apparently topsy turvy Kwangtung edition of Lenin's mystic brand finds its real animus.

Workers Support Government

The mass of people may conveniently be divided into two main groups: the merchant class and the working people. While the merchants cannot be said to be enthusiastic over the situation, they have, by their observance of government orders, given tacit approval to the government program. The workers, on the other hand, are supporting the government to the full. Wherein lies the popularity of the government, one may well ask. Why is it that the Canton regime is rapidly gaining more strength for itself and more confidence from others in spite of increased taxation, restrictive commercial laws, and toleration of unreasonable demands of the strikers? For answer, one has only to go back a few years and review the records of the several governments previous to the present regime.

Our memory of those eventful days is too fresh and painfully vivid as to necessitate a detail description of them, suffice it to say that they constitute a hectic chapter of political instability in the history of the Southern Government, a rapid succession, by right of conquest, of incoherent military chiefs, each more oppressing, unscrupulous, mercenary, and tyrannical than the last. Living as they did in a state of great uncertainty, these self-seeking militarists forced upon the merchants such a tottering financial burden and worked such hardship upon the common people that they are now more than contented to submit to the present government which, while suspected of having adopted communistic policies, calculated to be detrimental to the interests of the merchant class, is at least able to render sufficient protection and avoids extortion. It matters little to the ordinary tradesman what percentage of Bolshevism there is in the Central Executive Council of the Kuomintang so long as life and trade are reasonably secured. There might be increased taxation, registration of business which means practically still more taxation, and other burdens and troubles. But, compared with the precarious state of existence under former military leaders, they seem trifles. The only danger of the government's losing the support of the merchants lies in putting on the last hair on the camel's back, but it does not seem likely that the sensitive leaders of the Party are capable of such folly.

However, stability alone is not the entire secret of the Canton Government's popularity, for it enlists sympathy from the merchant class only. A still greater and more vital source of its power lies in the whole-hearted support of the majority of the mass, the working class, the winning of which has been termed a brilliant stroke of Bolshevik strategy.

Experience has taught the Bolsheviks that the workers offer the line of least resistance and can be counted for their allegiance to the principle of more pay and less work. That the comparatively ignorant Chinese laborers realize the significance of communism is open to question, but that they are obsessed with the idea of their power and are certain of the special excellence of the equality principle is evidenced by their well-organized unions and their unreasonable demands which are often accompanied by the effective weapon of strike. Already the success of the unions have attained for the workers such an ascendancy that they are occupying a place of importance in the game of Canton politics.

But the irony of it all is that the workers are also a source of weakness of the Canton Government. Heretofore it has been the policy of the government to allow them a free hand. Unguided by experience, given to extravagant hopes, and lacking a sense of fairness, they have come forth with one demand after another and have, at the connivance of the officials, stood pat for their demands, unreasonable as some of them are. So long as the government remains in need of the loyalty of the workers the unions can continue with their agitation and feel secure of their power. But this condition

cannot last long and there is a limit even to Bolshevism. It is one thing to utilize the workers and allow them as much power as is safe for them but quite another thing to let them bite off more than they can chew. The consequence of such a state of affairs will be embarrassing, if not dangerous, to the Government.

There is, however, another side to the story of the worker, and in justice to him, it must be made clear that it is neither absolutely correct nor altogether necessary to regard him as merely a tool of Bolshevism; for, running parallel to his demand for a fairer and larger return for his hire, is the desire to manifest his spirit of nationalism. Two current opinions concerning this sudden outburst of patriotism on the part of the Chinese workers run counter to each other. On the one hand, there are those who see in the general boycott and occasional strike against Great Britain and Japan the sinister scheme of Moscow. It does not require Lenin's shrewd disciples to see what a general Chinese boycott against their two bitterest and strongest enemies in the Pacific will mean to Russia, and amidst the uproar of Chinese denounciations against England and Japan can be heard a shrill note of Bolshevik joy. Says Borodin to a group of interviewers, "We mean to strike at England in China." What more evidence is necessary?

On the other hand, there are those who see in the activities of the workers an expression of China's aspirations. "Down with Imperialism;", "Away with Unequal Treaties;", and "China for the Chinese;" no longer remain idle words to be uttered at the spur of the moment. They are a part of the inflexible purpose of the Kuomintang and the workers are cooperating with the Party in accomplishing the purpose. Both opinions are sound, but the truth probably lies in between: Bolshevik propaganda and an awakening of national self-consciousness as the result of the May Thirtieth Affair and the Shameen Tragedy at Canton, combined, and produced the present proletariat psychology.

American Oriental Line Stirs Rivalry

Three Pacific Coast shipping concerns, have come forward with tentative applications for the managing agency of the American-Oriental Mail Line in the event of the rejection by the Shipping Board of Stanley Dollar's bid of $3,000,000 for the five passenger and cargo ships operated by by the Admiral Oriental Line in the service between Seattle and the Far East. The three tentative applicants are the Pacific Steamership Company, the Thorndyke Shipping Company and the recently organized Puget Sound Orient Line. The Columbia-Pacific Shipping Company, operating the Oregon-Oriental Mail Line from Portland to the Far East, has not appeared as a bidder.

The Pacific Steamship company, of which H. F. Alexander is president, was the operator of the Seattle service before the formation of the Admiral Oriental Line by Stanley Dollar. The two companies are affiliated. The Puget Sound-Orient Line was incorporated at Seattle a short time ago and is represented in the negotiations at Washington by Ira Bronson, vice present of the Seattle Chamber of Commerce and Charles E. Peabody, a Seattle admiralty lawyer. The Thorndyke Shipping Company was formerly known as the Thorndyke, Trenholm Company. ship brokers and steamship agents and formerly operated Shipping Board tonnage in the Far Eastern service. It is headed by George F. Thorndyke, an Eastern man who has been on the west coast for several years.

The only offer submitted for the purchase of the American Oriental Mail Line thus far is that of Stanley Dollar. This offer amounted to $600,000 for each of the five ships, but varied in some respects from the specifications set forth in the board's advertisement. Mr. Dollar, however, pointed out that while his agreement in connection with the purchase of the around-the-world ships two years ago had called for seventeen sailings a year, a service of twenty-three sailings a year has been maintained, indicating that while he has not up a bond of $1,000,000 to guarantee continued maintenance of a schedule of seventeen sailings a year in the Seattle-Orient service, the number might be similarly increased if sufficient traffic develops.

Although there has been no hint as to the intentions of the board in the event of rejection of the Dollar bid, it has been learned that some members of the board are of the opinion that operation of the service should be given to some other company on the ground that there might be a tendency on the part of the Dollar interests to favor their own line operating between San Francisco and the Far East. On the other hand, some of the Seattle shippers are reported to have intimated a preference for continued operation of the service out of that port by the Admiral Oriental.

Incidentally, it is reported that the American Oriental Mail Line is now just about breaking even, whereas at the time of the previous negotiations for its sale it was reported to be losing money.—*Japan Advertiser.*

Trouble in Mukden*

BY PAUL SCHEFFER

(This article was written shortly before General Kuo Sung-lin was defeated, captured, and executed by his former chief, Chang Tso-lin.)

AT Peking everything depended upon that great procrastinator, Feng Yu-hsing, whom everbody calls the Christian General. At Tientsin, nearer Manchuria, which was crowded with refugee adherents of Chang Tso-lin, the picture began to change. We were evidently approaching a fighting-zone. In fact, skirmishes had already been fought between the advancing troops of General Kuo, the revolting subordinate of General Chang Tso-lin, and those of his former commander. I noticed, too, that the foreigners here were betting on Chang.

Railway traffic from Tientsin to Mukden is suspended. Everything is in possession of the troops. Consequently, I had to take a cranky little boat directly to Dairen—a miserable trip. Here the Japanese are running things No extraterritoriality conference will drive them out. It is a relief to get here. Dairen was Japan's compensation for capturing Port Arthur. Her South Manchurian Railway Company, an imposing enterprise, is the net that the Island Empire has thrown over the mainland. Chang himself is more or less in its meshes.

The officials, when they examine my passport, inquire courteously whither I am bound. The Japanese are the film of oil over the waters of Mukden into which I wish to plunge. I am told that Chang was expected in Dairen yesterday. Kuo Sung-lin had won a victory halfway between Tientsin and Mukden—Chinese strategy. The division that a few days ago deserted from Kuo to Chang went back to Kuo. Now it is reported that Chang will not come to Dairen after all. He is planning his defense farther upcountry. In the evening the luxurious express train leaves on schedule time for Mukden. It is more than luxurious—it is hyper American.

The foreign quarter in Mudken—Japanese and international—covers several square miles. It has a Russian spaciousness. But the old Manchu town is a dense cluster of buildings like a mediaeval city. The Chinese veneer grows thinner, and rude, barbaric Manchu frontiersmen emerge from the picture. In fact, however, these husky fellows are under the slender, sensitive thumbs of the Chinese. The Japanese also will be there some day, as well as any other aliens who court too close contact with these marvelous people.

Mukden In Darkness

Beyond the town lies the arsenal. I ride for a couple of miles along a new, well-constructed wall built by Chang. The moment it is dark every shop closes. The deserted, unlighted streets have an atmosphere of foreboding. Everyone dreads bad news from the front, and a mob of defeated, mutinous, plundering soldiers sacking the city.

Only in Chang's yamen is there light and life. It is the centre of the city, and of a province twice as large as Germany—the residence of the most absolute ruler China has seen for centuries. But he is slipping, and no one knows whether he will recover his footing. The inner history of the catastrophe is a secret that even the best informed do not profess to penetrate.

So I can only infer what has happened from externals, although personal factors are doubless more important as well as more interesting. At the Kuo deserted him, Chang's cause was looking up after its recent setback near Shanghai. General Sun had halted to reorganize his battalions and to drive back the Canton troops that were harrying him in the rear. Shantung and Chihli still seemed to be loyal. Feng Yu-hsiang was the only uncertain factor, and he had refused battle.

Chang saw that he must throw out ballast. He surrendered the Hankow district to Feng, whom he had hitherto kept isolated from the Yangtze as well as from the sea, thus cutting the Christian General off from communication with any foreign power but Russia. In fact, the two commanders even organized some sort of jointstaff office at Peking. But it lasted only three days. Then it was not abolished—it simply changed its name, in true Chinese fashion. For Kuo had deserted Chang with eighty thousand of his best soldiers, almost all of his famous artillery, and a large share of the equipment that had come out of his famous arsenal. Chang was left with one hundred and twenty thousand men, poorly equipped and unready for battle; but he had ample ammunition, which Kuo sadly lacked.

*From *Berliner Tageblatt* (Liberal daily), *December* 29. Translation from the Living age, Boston.

Kuo's desertion was first and foremost a personal matter, and a tragedy. Chang's son, twenty-seven years old and popularly called the 'Crown Prince,' played a role in the affair, as did Yang Hu-ting, the young Chief of the General Staff. Young Chang is regarded as his father's pet. He is vain, pleasure-loving, and incurably boyish. Papa had made him commander of the best corps in his army; but Kuo, who was twelve years older and had given the 'Crown Prince' his military instruction, was to be the real man in charge, representing old Chang, who never quite trusted anybody—even his own blood and kin. The young man had a care-free good time at Tientsin. He was shown great attention by Chinese and foreigners, often in the unbecoming ways that he particularly liked.

One day Chang Tso-lin's telephone message to Kuo was not answered. A few hours later this was explained. Kuo's first demand was that Yang Hu-ting be removed from his position, but almost immediately he announced that he was about to march on Mukden. The 'Crown Prince' was in the latter city. He and Kuo were equally enemies of Yang Huting; for did not that officer have the whole technical department in his control, including the arsenal and all that went with it? Wasn't he enjoying the huge squeeze that such a post ordinarily yields a man in China? Kuo, to be sure, had control of certain banks, but not of the head of the whole organization. Besides, Yang was Chief of the General Staff, a post that the 'Crown Prince' coveted.

Chang Hears Bad News

Chang Tso-lin has a quick temper. His son was at least implicated in Kuo's plot. He was conversant with all that Kuo was doing. He had taken part in it, and he had not warned his father. The old man threatened his son with a court-martial unless he brought Kuo back to Mukden. But the young man returned from his mission merely with the message that Kuo had deserted and was marching against his former chief. This did not bring down on the hapless lad's head immediate paternal vengeance. The old war lord, who is really only fifty-two years old, had his eye on the front. He must stay in Mukden, away from his uncertain troops and close to the political centre of his province. Meanwhile one of his division commanders, Chung, forthwith decapitated all of his fellow officers who were suspected of leaning toward Kuo. As a reward that gentlemen was promptly placed in charge of the defense.

Early one Sunday morning—it was the sixth of November—some twenty trucks hastily transferred Chang's hoard of several million silver dollars to the Japanese concession. Half Mukden followed them. Everyone who had aught to save tried to get it to a point of safety. About twenty million dollars was deposited in the Japanese banks within twenty-four hours—on longterm certificates of deposit, in order to avoid a subsequent run. Every house and shed and shelter in the concsssion was rented by these refugees at an enormous price. Foreign quarters in China are like the temples of ancient Greece and Rome—sanctuaries where any pursued person, be he a criminal or an innocent refugee, is for the time being safe.

At the front several of Chang's divisions went over to Kuo at the first shot, apparently by prior agreement. Although railway bridges were destroyed and rails torn up, the insurgent general might have reached Mukden in two or three days. For an instant Chang contemplated flight. But Kuo did not press hisadvant age. Two loyal divisions were sent forward to retard Kuo's advance. Mukden breathed freer. Foreigners did so as well; for Chang stands in debt to German and English firms for about four million dollars, and to Japanese firms for twenty million dollars. Chang has iron nerves. He finally decided to retire behind Mukden if necessary, and to fight it out to the last ditch.

Who was Kuo? What did he want? He is an old student at the Military Academy in Peking. The officers educated there are bitterly hostile to officers trained in Japan, as Yang Hu-ting was. He is a skillful commander; but he was refused a fat government job, which was given to Yang. The argument that Kuo used to persuade his troops to follow him was, 'Down with Militarism!' That was not remarkable, for all the tuchuns and war lords say that. But Kuo demanded also a new government that would improve the condition of the 'peasants and workers.' Manchuria is prosperous, but its surplus wealth has gone into Chang Tso-lin's arsenal. So Kuo announced that a new civil government, which would spend its revenues for the benefit of all the people, must be set up at Mukden.

Unquestionably Kuo's partisans were men of new ideas. Irrespective of whether he was sincere, his appeal is important. Chang Tso-lin is a professed reactionary. Kuo's program bore strong resemblance to that of his friend Feng Yu-hsiang. Of course, we do not know what these gentlemen may have said to each other, but we do know what they said to the public. And Karakhan's sarcastic smile has grown broader since he hastily returned from Moscow to Peking.

Chang Tso-lin has always been a focus of international intrigue. Mukden is now become more of a plot centre than ever. Feng Yu-hsiang, the Christian General, who possesses the art of making events, instead of his soldiers, fight for him, has captured Tientsin. Meanwhile the Japanese have discreetly put Chang Tso-lin under considerable obligation to them. They declared the railway zone along the South Manchurian line neutral territory. While the Russians can still keep in the background, and prefer to do so, the Japanese are perforce thrust into the spotlight. To be sure, their old dream of annexing Manchuria has been dissipated. Their dream of economic penetration is likewise over. No Japanese can like a Chinese coolie. The coolie is the ultimate winner every time. But Japan still plays her economic game in a large way. She has two hundred million yen in gold invested in her railway. Chang Tso-lin, whose early rise was due to her support, proved unreliable as he waxed stronger. The more powerful he became the more Chinese he showed himself to be; and for the past tnree years he has conducted himself like an absolute sovereign.

I have every reason to believe that Chang intended to make Tuan, who has been the shadow President of China ever since the defeat of Wu Pei-fu, a real executive, and to have himself elected Vice-President. That was to have occurred on October 10, two days before General Sun attacked Chang's forces south of Shanghai.

Japan could hardly tolerate Chang's plan. It would have interfered with her subtle but insistent game, which is imperceptibly to gather the strings of power into her own hands all over China, while sedulously avoiding any appearance of doing so. Above all, she can permit no decisive action until her Twenty-one Points have been forgotten and the great land again lies passive under the glassy glamour of her hypnotic gaze. She flrted for a moment with Kuo, perhaps wondering if he were not the man who might, after all, best serve her ends in Manchuria. At the same time, she extorted concessions from Chang Tso-lin. He had to mind his steps more carefully between the Japanese and the Russians than at any time since he rose to power. America and England stand by Japan in Manchuria because of their hostility to Communist Russia.

But let me repeat: none of these Powers really has the final decision in its hand. China's passive resistance, notwithstanding the turmoil and anarchy that is shaking her old social structure to the very depths, is in domitable even here on her northern marches. She will absorb, and outlive, her present persecutors.

Postal Truce Averts Strike of 800 Men

By arranging a truce until tne return of local Postal Commissioner E. Tollefsen, a strike of 800 postmen and junior clerks, which was scheduled for last Tuesday morning at 10 o'clock, has been averted. Representatives of the postmen and acting Commissiouer V. W. Stapleton-Cotton signed the document which put the matter in the hands of the Commissioner at the conclusion of a three-hour conference which ended at 3 o'clock last Tuesday morning.

In the document signed by the employes and the Commissioner, the men are granted an eight-hour day, provided the Directorate-General of Posts in Peking confirms the grant. Arrangement is also made for settling the other lesser demands presented by the employes Monday morning. The entire matter, so far as the local office is concerned, will, however, be finally passed upon by Commissioner Tollefson.

Should the strike have come off according to schedule, there would have been less difficulty in handling the situation than in the strike six months ago. All preparations were made on Monday to keep the office cleared despite the strike. Mr. Stapleton-Cotton stated this week that he was called to the office about midnight Monday and the conference lasting three hours started. At the conclusion, the acting Commissioner gave his approval to their demands on condition that the matter finally be left up to the Commissioner while the employes's representatives gave a written statement that the strike would not be called Tuesday morning.

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Int —4—28

GENERAL ELECTRIC

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China's Changing Appetite

BY TOM DOYLE

WITH the exception of unfortunates like Rockefeller, whose millions can't buy him a new stomach, and who is in consequence condemned to a life sentence of dieting, the things that people eat are a pretty good guage of their pocket books. Nations, being simply aggregations of people have pronounced appetites, governed partly by climatic conditions and still more by the amounts of money they have to spend on their rations. When times are hard and the purchasing power of the people is low a distinct change in diet is immediately evident and in the same way, when a nation trebles its consumption of imports foods which cost more than native products and are in fact usually additions to the national dietary, then it may be fairly safe to assume that the purchasing power of the people is on the increase. So it is with China. In 1912 the Chinese imported foreign foodstuffs to the amount of Hk. Tls. 71,077,781. In 1924 the total imports of these goods amounted to Hk. Tls. 230,183,610, an increase in twelve years of more than Hk. Tls. 159,000,000. Figures like these are something of an eye-opener to pessimists who insist that the country is going to the dogs and there is no business to be done, for if all this foodstuff is coming into the country somebody is making a profit out of it and furthermore and more pertinent, the people in general are spending real money for things of which twenty years ago they had no knowledge and consequently no desire for. Yes, even a casual perusal of the figures lead one to the conclusion that China is not going to the devil at all. Rather, in spite of wars and other commotions she is very evidently raising her standard of living and starting in on her stomach, the most important part of her national anotomy.

The following comparative tables show in detail what has been happening during the twelve years we are discussing:

Imports of important foodstuffs into China

Article	1912	1924
	Hk. Tls.	Hk. Tls.
Beans, peas, etc	778,853	1,055,575
Biscuits	136,365	489,025
Bran, of all kinds	1,441,934	8,369,826
Butter	676,884	762,546
Cereals:		
Barley	30,053	51,549
Maize	53,149	114,518
Oats	21,982	8,226
Rice and paddy	11,680,730	63,250,948
Wheat	7,552	18,917,019
Others	14,996	178,584
Cheese	101,668	119,029
Coffee	102,355	64,339
Confectionery	310,588	544,894
Eggs, game and poultry	34,019	97,240
Fish and fishery products	10,594,054	23,674,420
Flour	12,822,448	30,200,576
Fruits (dried)	750,316	2,247,452
„ (fresh)	584,734	1,729,476
Margarine	15,145	36,952
Meats, prepared and preserved	208,243	414,462
Milk (condensed)	903,023	1,927,706
Sugar, brown	5,343,637	11,734,916
„ , white	7,104,225	21,199,393
„ , refined	9,935,801	39,225,046
„ , candy	1,620,226	4,257,866
„ , canes	174,071	168,032
Tea	5,660,730	944,701
	Hk. Tls.	
Total	71,077,781	230,183,610

The most significant items of the above are those representing the cereals, including flour. China has been known to the western world as a nation of rice eaters. It appears however, that despite the fact of a great deal of rice being used China has learned to eat bread. The southern ports are importing immense quantities of rice and paddy, but whether this import is due to an increased demand or the failure of the farmers to raise large crops on account of the constant risk of confiscation by the military who have kept that section of the country in turmoil ever since the revolution is uncertain but one feels rather inclined to the latter opinion, that the increase in rice imports is unnatural. The strides made with wheat and flour however, tell another story. From seven thousand to nineteen million taels worth of business in wheat and thirteen to thirty millions in flour, in round numbers, in a twelve year period is certainly food for thought. It indicates that China's appetite for bread has been assiduously cultivated and that it has responded to the wiles of the bakers. Some day China may grow enough wheat to satisfy her demands but until the country settles down it is safe to say that the statistics hold out glowing promises to the wheat importers—provided, and in the China trade there is always one of those "provideds," the prices of foreign wheats meet the capabilities of Chinese pockets. For unlike countries where bread has been for ages the staple food of the people, it is a newcomer to China where, although its merits are recognized and a real need for it felt, still it has yet many decades to traverse before it becomes the absolute necessity which drives American women to the bakers' regardless of the current price. The Chinese can adapt their appetites for bread to circumstances. When prices abroad put flour out of their reach they turn to substitutes. They have always eaten large quantities of other cereals. Millet, for instance, and kaoliang have long been common grain foods particularly in the north. Let wheat prices get beyond the reach of the masses and they promptly stop eating bread, going back to their traditional cereals. This one factor in the wheat and flour importing business has puzzled more than one astute foreign merchant who has failed to take cognizance of the indubitable fact that China's bread requirements are not indigenous to the land, that the people can and will eat other foods when they are unable to pay for bread, even though they hardly act on the French Queen's suggestion of eating cake. This national consciousness of the extreme price which may be paid for food is interesting in the extreme and probably in no place on earth is it so clearly demonstrated as in China. It rather tends to place bread on the luxury list if by luxury we mean something without which a people can get on very well, for China has gotten on without much bread for a few centuries more or less and when the foreign wheat operators try to boost bread prices in this country the people show them that they can boycott their staff of life and carry on just as well as did their ancestors.

Chinese Are Having Their Iron, Too

Under the item of Fruits, dried, we have another, although smaller example of what educating the Chinese palate has accomplished for the educators. The total import in 1924 of Hk. Tls 2,247,452, is understood to be largely made up of raisins from the United States. Twelve years ago the imports of dried fruits amounted to three-quarters of a million taels only. The Chinese were unacquainted with the candy values of raisins and did not use them in their cuisine. Today you can buy raisins at nearly any place in the country for a few coppers and they are being sold in a constantly growing volume.

Turn to the sugar list. Here you find that imports have about doubled themselves. What does it mean? It means in the first place of course that the Chinese are using more sugar and also that they have more money with which to buy it. Whether their taste for it has been cultivated or whether it has been merely lying dormant, awaiting a change in their economic station which would enable them to awaken and gratify is an open question, but the sugar trade, whatever the origin of the Chinese demand for it is on a steady upward trend.

The Chinese are learning something about feeding children. Let economists rave and say that it is well for the world that China's infant mortality is great; Chinese fathers and mothers do not regard their offspring with the cold scientific glare of a college professor. They have been learning things about feeding babies and growing youngsters from observing the families of their foreign friends and from the mission hospitals throughout the land. Result: milk in assuming respectable proportions in the order of China's import returns. There are'nt many places in China where one cannot buy Eagle Condensed Milk today and other brands are pushing deeper and deeper into the interior. One healthy baby sells foreign milk rations for half a dozen others and the result shows up when the annual returns of the import trade appear. There is no particular reason why China cannot raise enough milch cows to feed all the babies in the country but until her notions of sanitation become slightly modernized we may expect to see the American milk shipments to China display a steady growth.

Take items like confectionery and biscuits. These are small lines of import but they reflect the attitude of the consuming public. In the first place one has to consider that in these two instances the foreign imports are a very small part of the total trade, for the Chinese have not been slow in appreciating the evolution taking place in their appetites and have gone after these two particular lines in earnest. Rather do the foreign imports probably represent the ability of but a small proportion of the people to indulge their tastes in sweets which are better than anything now being produced in their own country, tastes which have been

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educated through familiarity with cheaper grades of goods locally made to a real craving for the very best.

Tea, not really a food anyway, has fallen off. China is getting back to growing tea and using what she grows. That is that.

Without statistics upon which to formulate opinions it is impossible to appreciate the quiet evolution through which China is passing. The temper of the people is against too abrupt changes. Furthermore, while you may upset a government and set up a new one over night, you cannot change the life of an entire race, especially when it comprises something like a quarter of the earth's population, rapidly enough to be appreciable save by the employment of accurate measures upon which to base comparisons. Even to foreigners who have observed the country through two or three decades the changes taking place are almost unnoticeable when one gets down to the ground of family life, discounting small boy bad manners which get worse, very noticeably so, every year. But when we use such measures as are available the transition becomes apparent. It is certain that without a gradual increase in national income the people would be unable to raise their living conditions. Without a desire to better their positions they would hoard away their increased incomes, but more money means more desires the world over and in the case of China it has made itself most apparent in the place dearest to a Chinaman's heart, his stomach, and knowing something about the native shrewdness of the people, it is safe to state that their condition as a whole is on a decided upward trend toward better things, for if they are spending two hundred and thirty million taels annually for imported food, they are spending much more than that for things they can raise themselves which they could not afford not so many years ago.

Americans Abroad Exempt from Income Tax

American residents abroad, deriving their incomes from foreign sources, will be exempt from paying income taxes, according to a cable received here last week by the United States Treasury Department from Washington. According to the dispatch, the bill was passed by both Houses of the Legislature early in the month and sent to President Coolidge for signature on March 2. The bill was signed on March 4, according to information at hand.

With the signing of the bill, one of the problems which has been puzzling American communities abroad has been solved. For years Americans living in various foreign countries have been protesting the payment of income taxes and making test cases in the United States Supreme Court over the issue. Although the cables received here are only skeletonized forms of the bill, it is stated that all bona fide American citizens abroad will receive exemption, thus benefitting practically all of the American business concerns abroad.

Asia Realty Shows Good Business

The following is the comparative condensed statement of condition of the Asia Realty Company, Shanghai, at close of business on December 31, 1923 and December 31, 1925:

RESOURCES

	Dec. 31, 1923	Dec. 31, 1925
Real Estate	M$1,217,427.43	M$2,418,021.26
Loans	62,952.65	40,527.78
Cash in Banks	95,010.64	23,888.28
Due from Debtors, etc.	15,894 29	91,317.30
	M$1,391,285.01	M$2,573,754.62

LIABILITIES

Capital Paid Up	M$840,800.00	M$857,621.81
Loans	364,623.95	1,458,834.26
Sundry Creditors	31,721,52	43,290.19
Reserves and Undivided Profits	154,139.55	214,008.36
	M$1,391,285,01	M$2,573,754.62

Shanghai Exports to U.S.A. for February, 1926

The following table issued by Edwin S. Cunningham, American Consul-General, Shanghai, China, shows the quantities and values of declared exports from Shanghai, China, to the United States for the month of February, 1926, and the period from January 1, 1926, to February 28, 1926.

(VALUE IN UNITED STATES CURRENCY)

Articles	Unit of Quantity	February 1926 Quantities	February 1926 Values	Total for year up to February 28, 1926 Quantities	Total for year up to February 28, 1926 Values
Group 0—Animals and Animal Products, except Wool and Hair (Class 101—9939)					
Meats					
Egg products, frozen	Lbs.	130,000	20,776	130,000	20,776
„ albumen dried	„	199,400	124,004	265,000	171,312
„ „ fro.	„	.....	.....	89,640	11,253
„ whole, dried	„	.....	.....	.....	.....
„ „ fro.	„	.....	.....	.....	.....
„ yolk dried	„	.....	.....	.....	.....
„ „ fro.	„	.....	.....	.....	.....
Hides and Skins, Raw (Except Furs)					
Buffalo	Pcs.	2,160	15,487	6,165	46,659
	Lbs.	84,377		240,454	
Cow	Pcs.	.....	.....	.....	.....
	Lbs.	.....		.....	
Deer and doe	Pcs.	.....	.....	.....	.....
Goat and kid	„	671,912	627,353	942,273	856,252
Sheep & lamb	„	20,197	43,016	69,942	158,990
Furs, Dressed and Undressed					
Fox	Pcs.	.....	.....	.....	.....
Hare & rabbit	„	8,013	2,286	61,428	15,843
Leopard	„	.....	.....	.....	.....
Marmot	„	.....	.....	.....	.....
Pahmi	„	.....	.....	.....	.....
Raccoon	„	.....	.....	.....	.....
Squirrel	„	.....	.....	150	262
Weasel	„	264,321	417,058	452,301	751,740
Wolf	„	.....	.....	.....	.....
All others	„	2,722	2,339	5,722	8,820
Furs, Dressed—Others					
Moufflon (Sheep & lamb; Goat & kid)	„	4,346	2,896	4,346	2,896
Manufactures of Furs and Fur Skins					
Sheep & lamb crosses	Pcs.	.....	.....	552	3,738
Goat & kid crosses	„	.....	.....	.....	.....
Dogskin mats	„	.....	.....	8,339	14,470
Miscellaneous Animal Products					
Feather	Lbs.	132,202	73,407	373,959	189,916
Intestines	„	91,766	105,547	255,083	287,971
	U. S.		$1,434,169		$2,540,898
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages (Class 10311—17801)					
Fruits and Nuts					
Peanuts, shelled	Lbs.	.....	.....	12,000	555
Oil Seeds and Vegetable Oils and Fats					
Sesame seeds	Lbs.	.....	.....	224,100	10,581
Vegetable tallow	„	.....	.....	.....	.....
Wood oil	Gallons	.....	.....	.....	.....
Cocoa, Coffee, Tea and Spices					
Tea	Lbs.	37,197	10,412	224,548	38,907
	U. S.		$10,412		$50,043
Group 2—Other Vegetable Products, except Fibers and Wood (Class 20011—29616)					
Gums, Resins & Balsams, N. E. S.					
Camphor, crude	Lbs.	24,605	11,989	24,605	11,989
Crude Drugs & Essential Oils, N. L. S.					
Camphor oil	Lbs.	.....	.....	.....	.....
Rhubarb	„	.....	.....	3,360	837
Dyeing & Tanning Materials of Vegetable Origin					
Gallnuts	Lbs.	.....	.....	44,800	4,064
Tobacco					
Tobacco leaf	Lbs.	.....	.....	1,885	357
	U. S.		$11,989		$17,247

When You Go to America

Establish Acquaintance—A traveler making his Statler reservations need only address the first Hotel Statler he will visit. This hotel will take care of reservations in the other Statler cities, will assist him in getting in touch with people he wants to see, and will serve him in many other helpful ways.

THERE are five cities of the United States which you will almost certainly want to visit—and in each of them is a Statler-operated hotel. In all these hotels every room has a private bath and many other unusual and much-appreciated conveniences. In all of them especial attention is paid to the traveler from overseas. In any of them you can be sure that you are getting the best there is, at prices no higher than in other hotels of the first class.

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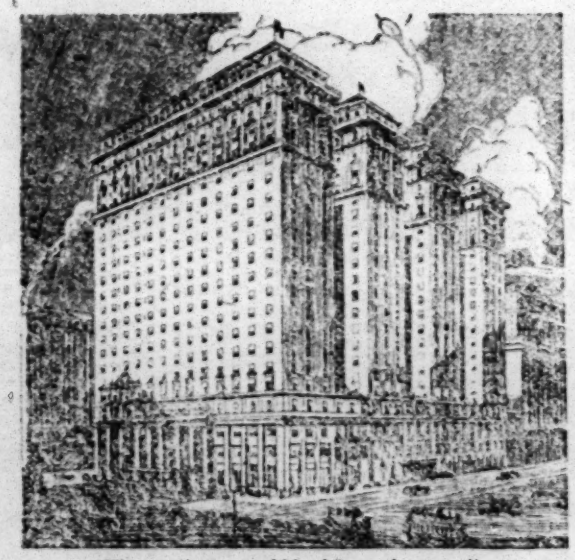

This small picture of Hotel Pennsylvania will give you some idea of its size.

How to Reserve Accommodation

Reservations for accommodation at any of the Statler Hotels or Hotel Pennsylvania can be made at any office of Messrs. Thos. Cook & Son, or the American Express Company, or the American-Oriental Banking Corporation—or at principal hotels and steamship offices in the larger cities of the Orient. Reservations so made can be depended upon absolutely.

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ORGANIZED and managed by the officers and directors of The Equitable Trust Company of New York, it will give you the same prestige abroad and the same personal service that distinguishes the parent organization—with the added convenience of a separate bank devoted exclusively to Oriental business.

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Group 3—Textiles (Class 30011–39593)

Cotton					
Cotton, raw	Lbs.	.....	.....	.....	.....
,, waste	,,	75,781	6,022	88,781	7,204
,, laces & embroideries		.....	166,011	.....	381,863
,, misc. manufactures		.....	.....	.....	.....
Other Vegetable Fibres, N. E. S.					
Hats, fiber	Dozen	227	4,012	503	6,550
,, rush	,,	5,650	3,773	21,831	21,186
,, straw	,,	.....	1,471	.....	9,569
Straw goods		.....	1,972	.....	7,012
Mattings	Sq.Yds.	.....	.....	.....	.....
Wool and Hair					
Carpets, wool	Sq.Yds.	1,625	12,982	1,782	14,904
Wool, sheep's	Lbs.	117,752	29,516	299,489	72,121
Hair, human, Asiatic	,,	13,441	5,005	26,861	9,981
,, nets human	,,	2,100	22,760	11,186	104,838
,, stump, human	,,	47,570	18,222	125,709	47,102
Silk					
Silk, raw	Lbs.	438 792	2,288,064	1,179,218	6,358,670
,, wild	,,	66,174	172,048	279,303	726,706
,, waste	,,	386,811	276,394	884,744	634,150
,, piece goods	,,	7,602	60,418	22,580	174,236
,, pongee	,,	22,979	73,890	38,760	122,851
,, cocoons, pierced	,,	.....	.....	17,386	21,122
,, misc. manuf.	,,	.....	377	.....	6,332
		U. S.	$3,142,937		$8,726,397

Group 4—Wood and Paper (Class 40181—48724)

Manufacture of Wood					
Woodenware		.....	558	.....	895
Bamboo manufactures		.....	2,069	.....	4,127
Lacquerware		.....	835	.....	1,095
Books and other Printed Matter					
Books		.....	676	.....	4,251
Paper, Except Printed Matter					
Parasols	Pcs.	38,481	7,972	59,001	11,843
		U. S.	$12,110		$22,211

Group 5—Non-Metallic Minerals (Class 5001I—59590)

Clay And Clay Products					
Chinaware, Porcelain, Pottery, etc.		.....	745	.....	836
Other Non-Metallic Minerals					
Jadeware		.....	2,368	.....	3,903
Soapstone		.....	6,205	.....	14,328
		U. S.	$9,318		$19,067

Group 6—Ores, Metals and Manufactures, except Machinery & Vehicles (Class 60011—69999)

Aluminium, Antimony and Cobalt					
Antimony, crude	Lbs.	.....	.....	.....	.....
,, oxide	,,	.....	.....	56,600	7,597
,, regulus	,,	268,000	47,746	436,000	79,270
Copper, Brass and Bronze					
Brass & manufactures of		.....	27,106	.....	44,998
Precious Metals, Jewelry and Plated Ware					
Gold bars	Ounces	.....	.....	.....	.....
		U. S.	$74,852		$131,865

Group 7—Machinery & Vehicles (Class 70011—79361)

NIL *NIL*

Group 8—Chemicals (Class 80021—87519)

Chemicals					
Musk	Lbs.	7	$1,545	26	$5,141

Group 9—Miscellaneous (Class 90101—99999)

Art. works					
Art. works of		.....	7,499	.....	20,802
Miscellaneous					
Bristles	Lbs.	30,260	30,958	128,435	126,224
Household&personal effects		.....	.....	.....	658
Unenumerated articles		.....	153,725	.....	300,357
		U. S.	$192,182		$448,041

RECAPITULATION	*Total for year up to Feb.28,'26*	*Total for year up to Feb. 28,'25.*
Group 0—Animal and Animal Products, except Wool and Hair,	$2,540,898	$1,761,044
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages,	50,043	148,313
Group 2—Other Vegetable Products, except Fibres and Wood,	17,247	50,103
Group 3—Textiles	8,726,397	5,878,283
Group 4—Wood and Paper	22,211	4,021
Group 5—Non-Metallic Minerals	19,067	6,543
Group 6—Ores, Metals and Manufactures, except Machinery and Vehicles	131,865	78,344
Group 7—Machinery and Vehicles	N I L	N I L
Group 8—Chemicals	5,141	28,136
Group 9—Miscellaneous	448,041	221,614
Grand Totals U. S.	$11,960,910	$8,176,401

Japanese Railways Place Big Rail Order in America

An order for approximately 6,000 tons of open hearth steel rails and oil-quenched splice bars, for prompt delivery, was placed recently with the United States Steel Products Company by the Imperial Government Railways of Japan, according to the *Japan Advertiser* (Tokyo). This is the largest order placed with an American firm by the Department of Railways since 1923 and is an indication that recent statements made by officials of the Audit and Engineering Bureaus, while undoubtedly correct as far as they went, did not tell the entire story.

Mr. Kakehi, chief of the Audit Bureau of the Department of Railways, sometime ago published a statement declaring that, due to depreciated currency and labor conditions, as well as the increased capacity of Japanese steel plants, French and Belgian firms were shoving American rails from the Japanese market. This was due to the fact, he said, that French and Belgian producers were able to underbid America by about 10 per cent. Steel men in Tokyo and Yokohama, however, assert that while American rails are not comtpetitive when judged merely by price, their much highe quality offsets this cost differential and makes tham a real factor in the market.

News Notes

The Shanghai-Hangchow-Ningpo Railway will run two Special Trains from Shanghai North Station to Hanchow and return during the Easter Holidays, one leaving on Thursday April 1, at 5:30 p. m., and another on Friday, April 2, at 10:00 a. m., and returning on the following Sunday at 7:00 p. m., and Monday at 7:00 p. m. respectively. The fares for these Special Trains will be as usual. Express train fares and a Special form of return tickets will be used. A limited number of accommodations will be provided for each train with dining car service. The Travel Department of the Shanghai Commercial and Savings Bank at 97 Szechuen Road is in charge of the booking arrangement for the Excursion.

Among the passengers arriving at Shanghai Tuesday on the Admiral Oriental liner *President Madison* from America were: A. L. Barrett of the Singer Sewing Machine Co; J. Fistere, Jr., of the National Aniline Dye and Chemical Co; J. Heidt, who will be connected with the Equitable Eastern Banking Corporation. Frederick Barnes, who debarked at Kobe, willl soon proceed to Shanghai, where he will represent H. F. Gresham and Company, Ltd. He was accompanied by Mrs. Barnes and their son, Leslie.

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News from Central China

The various Consuls in Hankow, after consulting with their Legations in Peking, have officially communicated with the new Military and Civil Governors of Hupeh appointed by Wu Pei-fu, Chen Chia-mo and Tu Shih-chun, offering their congratulations and thereby given their official recognition to the *de facto* governors. The Consular body was entertained at dinner at his residence by Governor Tu Shih-chun in Hankow on March 2.

With a view to stirring up dissensions in Hupeh, the Peking government has in a mandate appointed General Lu Ching-shan, Commander-in-Chief of the Upper Yangtze, Military Governor of Hupeh, and General Liu Tso-lung, commander of the Second Division, Civil Governor, in succession to Marshal Hsiao Yao-nan, However, the mandate failed to bring about the desired effect, because instead of assuming offices in defiance to the appointments made by Wu Pei-fu, the Peking nominees have agreed to maintain the present status quo, allowing Wu's appointees to function in their respective offices. Both Generals Lu and Liu hve announced their intention to abide with Marshal Wu's appointments, and agree to support them.

The uproar raised by the Hupeh Assembly against the civil governor being appointed by Wu Pei-fu is losing the strength with which it started. The proposition of the Assembly that the Civil Governor should be a native of Hupeh and should be elected by the Hupeh people is not getting very far, because the people are skeptical of the result of a provincial election and prefer peace to any doubtful innovation.

The Chinese Chamber of Commerce has passed a resolution advocating the use of the British portion of the Boxer Indemnity Fund for the promotion of industries in China. A circular to this effect has been sent out to the various ports. The Chamber has also extended an invitation to Lord Willingdon, head of the British Boxer Fund Delegation, to visit Hankow.

In view of the forthcoming visit of the members of the International Extraterritorial Commission, the local Concession Mixed Court, or Court of the Concession Magistrate, which is attached to the Hankow Foreign Office, is making preparation to renew the office frontage and whitewash the whole premises. The Court is located in the British Concession, and has been conducted along the lines of a Chinese yamen.

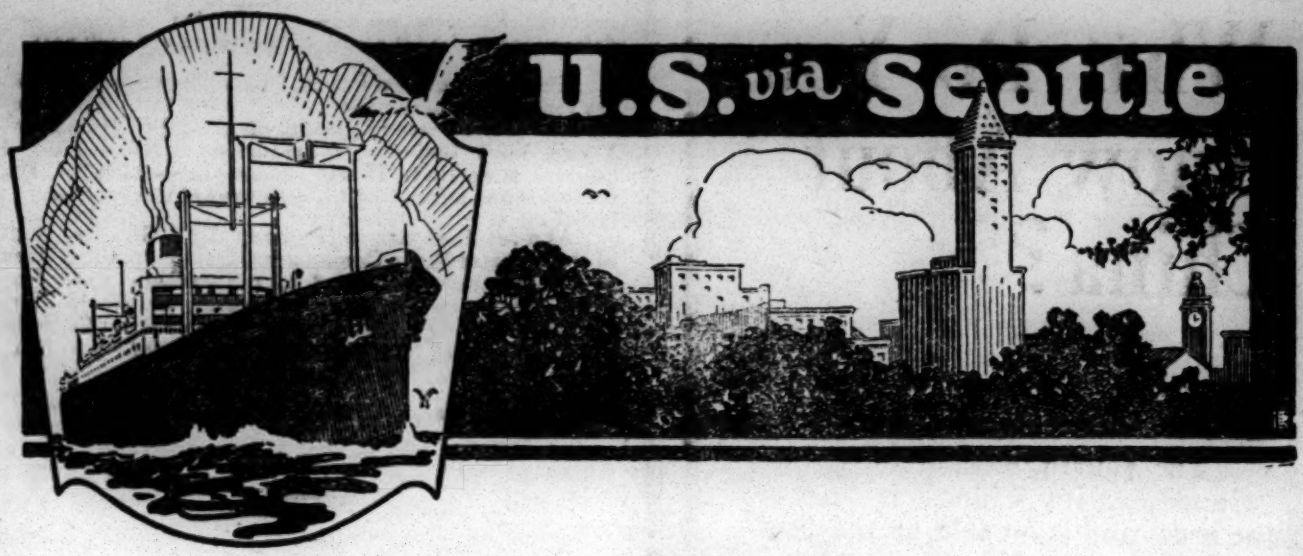
Ex-Premier Chin Yun-peng, who has just returned to China from Beppa, Japan, is now visiting Hankow in company with General Wang Chin-ping. He is also accompanied to Hankow by a Japanese adviser who came to China with him. Ex-Premier Chin visited Chang Tso-lin immediately upon arriving in China, and is now in Hankow to interview Marshal Wu Pei-fu on an important mission on behalf of Chang. He is the elder brother of General Chin Yun-ao, one of Marshal Wu's trusted lieutenants, who is now leading his troops to attack Kaifeng, Honan.

Li Hwa-tang, publisher of the *Kuo Min Hsin Pao* of Hankow, who was for a few months last year the Finance Commissioner of Hupeh, is likely to return to his finacial position in the near future. Mr. Li has worked out a financial plan which if carried out will relieve the Hupeh government of financial difficulties. But since his scheme affected the existing likin and other tax offices which are mostly in the hands of the favorites of military commanders, Mr. Li was forced to resign.

The funeral of Marshal Hsiao Yao-nan, ex-Tupan of Hupeh who died during the Chinese New Year holidays, is said to have cost $160,000, the coffin alone having cost $20,000. Commenting on the extravagances, one Chinese paper in Hankow said that part of the money might have been used to much greater advantage to save the starving famine sufferers in Hupeh.

The Special District (ex-Russian Concession) Administration in Hankow celebrated its first anniversary on March 1, and most Chinese shops and residences within the District hoisted the Chinese national flags on that day. The administration of this district after one year's experiment, is admitted to be a success in most respects.

The question of Chinese representation on the British Municipal Council in Hankow will be brought up for discussion by the ratepayers at their annual meeting to be held on March 12. It is said that the British ratepayers have received a suggestion from official sources that they might consider now whether they would agree to allow the Chinese population of the British Concession to have representation on the Council, and that should they so agree, they might continue to discuss further the ways and means for making the change. As far as can be measured, the opinion of the ratepayers seems to be equally divided.



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What Do You Know About China?

The fourth edition of Crow's "Handbook for China" is just off the press and is on sale at the leading bookstores. No other work contains in such a small compass so much interesting and valuable information about the country. It is the one reference book which everyone interested in China should have at hand. There are chapters on the history, religions and government of China, giving in concise but readable form the salient facts concerning these subjects. There are also sections on money and exchange, laws, passports, weights, measures, architecture, porcelain, painting, jewelry, cloisonne, treaty ports, etc. The colored maps are brought up to date in every detail. The large map of China is the only one of its kind in which all place names are spelled according to the system officially adopted by the Chinese Post Office.

This is not a tourist book. No matter how long you may have lived in China you will find in it much that is of interest and value to you.

Owing to the large edition which is being printed the price is very low, M. $5.00. The book contains more than 300 pages of text, with nine maps and plans.

Send your order to any book dealer in China.

Marshal Wu Pei-fu and his associates have issued their second circular telegram attacking the Bolshevik clique headed by Feng Yu-hsiang and the traitorous government headed by Tuan Chi-jui. In the telegram it is stated that Bolshevik literature has been found in abundance among the defeated Kuominchun forces, and that Marshal Wu is determined to free the nation from the Bolshevik pest.

The forces of Wu Pei-fu, from Hupeh and Shantung, are reported to have penetrated into Honan. Chin Yun-ao is said to have neared Kaifeng, the capital of Honan, where Tupan Yueh Wei-chun is reported to have escaped to Shunteh in northern Honan. Kow Ying-chieh, of Hupeh, is reported to be leading his men toward Chengchow.

As a result of visit to Hunan of G. G. Stroebe, engineer of the Yangtze River Commission, Governor Chao Heng-ti of Hunan is now interested to conservancy work for the Siang River, which caused several floods in Hunan. Governor Chao has requested the Yangtze River Commission to submit a detailed plan and the estimated cost for the work.

Hankow, March 6, 1926.

The Wail of the Griffin

(With profound Apologies to Rudyard)

I've taken my fun where I've had to.
I've been shifted all over the shop,
I ain't had my picking of places,
I wonder if I'll ever stop.
One was an awful hole in Honan,
One was a dump on the River;
My third, snow and ice—by comparison, nice,
My fourth I have yet to discover.

I came to Honan as a Griffin.
Dusty and lonesome, it were!
The Original Spot that God forgot,
But I learned about China from her!

Next came a port on the age-old River,
The sun made my eye-balls sore.
Hot as the hinges of Pluto's realm,
But I learned about China some more.

Then the Gods on Olympus relented.
Sent me North, to my great delight.
Moukden seems almost like Home, Sweet Home.
But, don't Worry! It's China, all right!

Well, I aint running down the Outports.
I suppose they have to exist.
"Experience teaches," the schools books say,
But, Lord! It's a terrible risk!

There are days when you wish you were home again.
There are nights when you wish you were dead.
Maskee! The first hundred years are the hardest, Old Boy.
So buck up and don't lose your head!

—A. H. Thomas, in *The Mei Foo Shield*

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Asia Life Makes Progress Despite Strike Troubles

At the annual general meeting of the Asia Life Insurance Company held Monday, March 15 the President and Directors submitted their report and balance sheet as follows:

"The Company accounts for the year 1925 having been in your nands for several days, I take it that you are all familiar with the record of progress indicated thereby.

"The ycar has not been as good as we had hoped for, because none of us anticipated the unusual disturbances which interfered with our business during June, July, and August throughout China and during all the balance of the year in Hongkong and Canton. I refer to the strikes, boycotts, and anti-foreign agltations which are common knowledge to you all. In spite of these handicaps, however, your Directors are able to present to you a record of substantial progress.

"The year's operations resulted in a net gain of insurance in force of $200,000. Our total insurance in force is now $11.792.842. Production of new business has been steady and consistent. Lapses were heavy during the year in some sections due to the disturbed conditions, which I have just mentioned, and were also affected to some extent by civil wars in the North. Much of this business will, it is believed. be revived later. Our assets and reserves show substantial increases, as is natural with a healthy, growing company.

"During the year two new offices were opened—one at Hongkong and one at Chungking. Work in Hongkong has naturally been hindered by the strike there. The office has been able to carry on with an average production, however, which we consider remarkable. Chungking has been a thoroughly successful office since the opening day. With the opening of these two offices and our arrangements for an active general agency in Harbin, we feel that the China field has been fully covered and that we now nave a life insurance organization able to provide a superior to any in this country.

"Your Directors do not feel, however, that this should be the limit of our endeavors. When all is said and done, China is subject to such uncertainties of politics, war and sudden change, that we feel the Asia Life Insurance Company should no longer confine its operations to this country. We therefore propose to you today that you approve our recommendation to increase the capital of the Company and enter the Philippine Islands. Since ours is an American company operating on American legal reserve standards, we feel that the next logical step in the Orient is to the Philippines where we will operate under our own government, among a people familiar with the superior protection provided by American legal reserve life insurance companies."

Tokyo Grants Y. 400,000 to Cotton Trade

It is learned from the Department of Communications of the Japanese Government that with a view to expanding Japan's cotton yarns and tissue market, the Government has decided to grant a subsidy of Y. 400,000 to an East African Coast service, which will require the employment of three 6,000 ton vessels running to Colombo, Mombaga, Zanzibar, Mozambique and Durban. It is expected that either the Osaka Shosen Kaisha or the Nippon Yusen Kaisha will carry out the service, though it is understood that the former company is not willing to do so unless the subsidy is doubled.

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"North Coast Limited"

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A Trade-mark That Has Become a Guarantee

Nearly every abstract thought has its symbol. There's the Palm Branch for Victory; the Anchor for Hope; the Circle for Eternity, etc. Just so—the Trade-mark of the United States Rubber Company has come to be the symbol for "It's good."

All over the world the flint of that thought strikes a spark in the steel of the minds of men—Whenever an article bearing that trade-mark is seen, quick as a flash comes the mental echo "It's good!"

And this isn't just the result of advertising—It's the common effect of a common cause, for the United States Rubber Company's products are good. Learn to know hem by the famous "U. S." Trade-mark.

United States Rubber Export Co. Ltd.

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Tariff Conference Nearing End

The Tariff Conference is rapidly approaching the end. Britain having given up her contention regarding the tariff at the informal urgency meeting held at the Netherlands Legation on February 25, China's plan of grading the tariff to seven classes has been adopted by the Powers delegates. Views differing, however, concerning the classification of articles according to the graded rates, the Committee is consulting experts. It is understood that the tariff on tobacco, in which Britain and the United States are concerned more than any other countries, is comparatively low, whereas rates on Japanese goods are somewhat high, but satisfactory arrangements are thought to be made through mutual concessions.

On the other hand, according to the *Peking and Tientsin Times*, matters relating to the 2½ and 5% surtaxes are expected to be decided soon, the meeting which took place on last Friday probably being the last one. Questions up for consideration at that time were:

(1) When the date of imposing the surtaxes has been fixed, how shall it take effect on goods:—on their arrival at China or on their leaving the port of shipment? Japan having had a bitter experience on the subject at the time of imposing surtaxes after the great earthquage, is desirous to have the date started on goods arrival, whereas the countries situated far away from Chiua insist upon commencing on shipment.

(2) Certification of the place of production. Another committee is thought to be organized to consider this question.

(3) Keeping in custody the proceeds of the Customs tariff. The exact nature of China's contention on this subject cannot be learned, but the Powers seem to be contemplating letting the Hongkong and Shanghai Banking Corporation take care of the main tariff revenue as heretofore, and letting the revenue from the surtaxes be kept in custody by banks of the countries having claims against the Chinese Government, *pro rata* to the amount of claims each has, so that America will take care 7%, Britain 7%, China 20%, Japan 30%, etc. The creditor countries not having their own banks in China will have to ask some bank or banks to keep their shares in safe keeping for them. This will also be discussed by the Third Committee.

As it is, Tariff Conference measures will be produced in the order below mentioned:

1. Classification of ordinary goods and luxuries, necessary for the imposition of the 1½ and 5% surtaxes.
2. Fixing the date of carrying into offect the surtaxes.
3. The appropriation of the proceeds of the surtaxes.
4. The organization of a third Committee to discuss the safekeeping and appropriation of the tariff proceeds, and matters relating to the certiffication of the place of production.
5. The classification of articles for the imposition of interim rates.
6. The two Resolutions, which were introduced by China on February 18th will be made into one Resolution through the above mentioned procedure.
7. The Resolution will be drafted into an agreement to be signed at Peking, together with the declaration of China's tariff autonomy.

So long as there is no big change in the situation, the Tariff Conference is thought to be brought to an end by the end of March, about the same time when the Commission on Extraterritoriality in China closes its session.

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Rubber Restriction

Results of Great Britain's Restriction Policy

Sir Robert Horne's recent contention that no great benefit is derived by the British government from the rubber restrictions would seem to be corroborated by figures lately compiled for the London *Economist*. These figures show that Great Britain's rubber output has fallen by about 20 per cent since 1922, the last post-restriction year, while that of non-restricted countries has risen by 50 per cent.

RUBBER PRODUCTION AND CONSUMPTION, 1910-24

(Thousand Tons)

PRODUCTION

	British Empire		*Other Countries*				
Year	Amt.	% of Whole	Amt.	% of Whole	Total Production	Total Consumption	Excess of Production (+) or Consumption (—)
1920..	275	*75*	93	*25*	368	290	+ 78
1921..	220	*75*	73	*25*	293	292	+ 1
1922..	271	*67*	134	*33*	405	408	— 3
1923..	214	*56*	168	*44*	382	434	— 52
1924..	218	*52*	202	*48*	420	475	— 55

The British rubber measures were originally devised in the interest of producers, and recent articles on this subject appearing in the London press have objected to the rubber planters suggesting that the plan was also drawn up for the sake of British manufactures. The latter, it is pointed out, never asked for such meassures and would be glad if they were removed, even though the effects of the removal were disappointing.

As it stands now, one-sidedre striction has merely had the effect of applying a great stimulus to the production of rubber on non-restricting areas, and as a result the total supplies have not been reduced since restriction was introduced. On the contrary, they have considerably increased, the growth of Dutch production, in particular, being phenomenal.

Exports Raised

The announcement made by the British Colonial Office that from February 1 the amount of rubber exports from Malaya and Ceylon will be raised from 85 to 100 per cent, instead of 95 per cent, as provided by the restriction scheme, is, however, by no means the abolition of this scheme. Neither does it give permission to producers to export up to the fullest limits of their capacity to produce rubber. Each rubber company is limited to a "standard" production, which is arrived at by adding to the output for the year ended October 31, 1920, certain allowances in respect of productive areas not tapped before November, 1920, and also in respect of young areas matured since 1922. Further concessions were recently granted to the more prolific producers, raising their maximum output from 400 to 500 pounds per acre.

One hundred per cent "standard" production is regarded in authoritative quarters as the equivalent of normal full capacity. Thus producers are not at liberty to produce and export to any extent at minimum duty, as they would be if restrictions were entirely abolished. The scheme, therefore, will put a restraint upon those who might be tempted by the present high prices to force production to extreme limits.

"The most important reason for increasing the British output is that the price of rubber is high," declares the London *Times*, commenting on the raise of rubber production, "and there is no point in allowing non-British producers to obtain all the advantages of the present strong position of the commodity. As regards the future retention or operation of the restriction scheme, it may be stated that no decisions, other than those already announced by the Colonial Office, have been reached."

Horne's Answer

Sir Robert Horne, who was Chancellor of the Exchequer at the time the Stevenson restriction program was formulated, declares in an ariicle just published that his compassion is not at all aroused over the American outcry at the high price of rubber.

"They are not in a position to complain of government action," he writes, "who erect tariffs which have the effect of interfering with our trade to a much greater degree than anything that could possibly be done by export restrictions on rubber—making it, indeed, much more difficult for us to make payments to America of the debt which we undertook on behalf of others. Nobody denies the right of the American government to manage its tariffs as it chooses, but where complaint is made of the action of the British government it ough to be kept in view that we are interfering with the natural inflow of world commerce in an infinitestimal degree compared with that which charcterizes the trade policy of America."

Nevertheless, opinion in New York regards British policy as one producing what Secretary Hoover calls an "artificial famine", and to meet this situation rubber and automobile interests have lately joined in plans to extend rubber production under American control.

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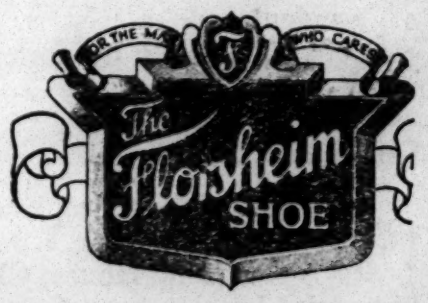

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Details of publications above mentioned and others which do not fall into any of the foregoing categories will be sent in form of a catalogue, post free, on application etc:—

International Labour Office
Geneva, Switzerland

Shanghai & Hongkew Wharf Registers Profit For 1925

Recommendation that a Tls. 10 dividend be paid, absorbing Tls. 360,000 of the balance of Tls.411,061 at credit of Profit and Loss, and the hope that the practice of paying an interim dividend will be possible this current year were, coupled with the statement that 219 steamers less were handled by the Company last year because of the strikes and boycotts, the chief features of Mr. A. Brooke-Smith's speech as chairman at Juesday's annual general meeting of the Shanghai and Hongkew Wharf Co., Ltd.

The speech, in part, follows:—

"Following the satisfactory showing for 1924 your Directors and General Agents regret that the result for 1925 is discouraging, but as you are aware our business was greatly interfered with by the strike and boycott, and during June, July and August we suffered severely, while earnings for the last four months of the year were much below what we have been accustomed to in recent times.

"The balance at credit of Profit and Loss Account is Tls. 411,061.40 and it is proposed that the sum of Tls. 50,000.00 should be tranferred thereto from Equalization of Dividend Fund, making a total of Tls. 461,061.40 available for distribution.

"It is recommended that a dividend of Tls. 10.00 be paid, absorbing Tls. 360,000.00, which I trust will meet with your approval. For some years past an interim dividend has been paid, but the outlook in August was so gloomy that your Directors decided it was inadvisable to do so. However, we hope the practice may be resumed at an early date.

"To Ordinary Repairs and Renewals Account we propose to allocate the sum of Tls. 40,000.00, which together with Tls. 25,894.12 at the credit of that fund, should enable us to maintain our propertics in good order during 1926.

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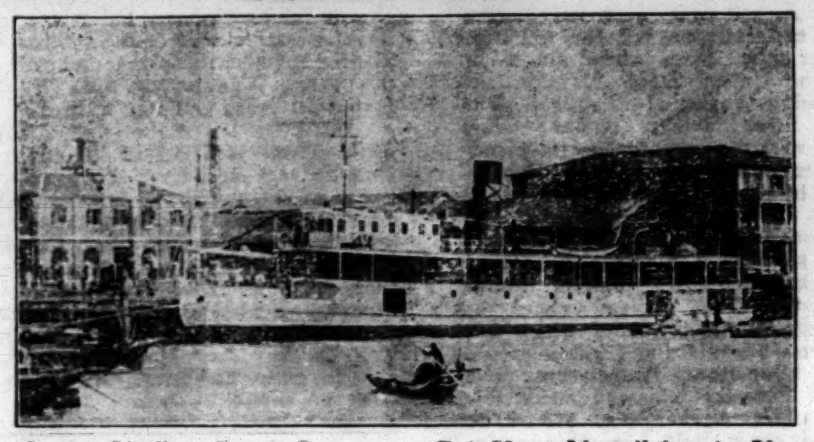

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Men and Events

J. H. Huck, general agent in the Orient for the Great Northern Railway, is back in Shanghai after a business trip to Japan.

Charleston contests are beginning to be featured at various Shanghai dance cafes. No serious injuries have been reported to date.

Edwin L. Neville has assumed the post of American Consul General in Japan. Mr. Neville was formerly attached to the Embassy in Tokyo.

Richard Luther, representative of the Certainteed Products Co., U.S.A., returned to Shanghai last Monday on the *President Jefferson* from a trip to Manila.

H. von Heidenstam, engineer-in-chief of the Whangpoo Conservancy Board, left Shanghai last week for Tientsin, where he will attend the Chihli River Commission.

Joel Black, of Black & Wilson, has returned to Shanghai after several months spent in the United States. Mrs. Black and their children will remain in America this summer.

J. V. Bergamini, architect for the American Episcopal Church Mission, who has been in Tokyo for several months, has arrived, with Mrs. Bergamini, in Shanghai where he will supervise the erection of church institutions.

"The Conquest of China by the Chinese" was the topic discussed by Prof. S.M. Shirokogoroff at an open meeting of the Royal Asiatic Society last Thursday, March 18 at the Lecture Hall, 5 Museum Road. The lecture was illustrated with maps, types, skulls and other interesting exhibits.

W.M. Lewis formerly connected with Dibrell Brothers, leaf tobacco importers, has resigned his position with the company, and departed this week from Shanghai for his home America. F.H. Brown, formerly of the Universal Leaf Tobacco Co., is taking over management of the Dibrell company.

The literary department of the American Women's Club has elected the following officers for the year 1926-27: Mrs. E.H. Cressy, Chairman; Mrs. Harrison King Vice-Chairman; Mrs C. H. Westbrook, secretary; members of the program committee, Mrs. R.R. Service, Mrs. E.G. Whitaker, Mrs. J. H. Gray and Mrs. Verne Dyson.

Mrs. Charles Gunn returned to Shanghai last week accompanied by her two daughters, Harriet and Helen. Miss Harriet Gunn has just been graduated from Occidental College, Los Angeles. Mr. Gunn, who is connected with the Mission Architects Bureau, has gone to Manila on business before returning to Shanghai.

Hal M. Wise, publisher of the Webb City, Missouri, *Sentinel*, was a passenger on the round-the-world tourist liner *Laconia*, which docked at Shanghai Friday of last week. Mr. Wise was accompanied by Mrs. Wise and their three children and while in Shanghai were the guests of Dr. and Mrs. J.C. McCraken. Mr. Wise and Dr. McCraken were classmates at the University of Pennsylvania.

Mrs. Annie Norton, 80 years old, well known among American and Filipino residents of Manila, died recently at the Mary Johnston Hospital, after an illness of about a week. Dr. Norton first came to the Philippines in 1900 as a missionary, but resigned in 1906. From that time she had been engaged in administering to the poor Filipinos residing in the Santa Mesea district, where she made her home.

Theodore C. Hume, Yale '25, son of Edward H. Hume, president of Yale In China College, Changsha, has been elected Rhodes Scholar-at-Large from the United States, according to a news dispatch received here this week. Preparatory to entering the ministry, Mr. Hume is spending this year at Sorborne University under a French governmental scholarship, and will enter Oxford University in October.

The Chinese Foreign Office was a scene of a scurry recently when it was necessary to call out armed police due to the presence of a group of fifteen or so Chinese journalists demanding payment of subsidies which they allege were promised them by the Waichiao Pu. It is reported that after much talking on both sides, the money-seeking group was persuaded to leave the premises. Due to the Cabinet changes there was no Minister at the time.

Japan, home of silk, is soon to be among the largest producers of "rayon", now widely marketed under its own name but originally known as artificial silk. At least two large firms are planning the erection of rayon plants. Until recently the Japanese silk men looked upon rayon with semi-amusement, regarding it as a substitute that would be rejected by the average silk consumer. The Japanese people, however, began buying the products of French and American rayon looms.

More than 900 round-the-world tourists swooped down upon Shanghai last week when the *Resolute*, of the United American Lines, and the *Laconia*, the giant Cunard liner, docked for a period of two days during which time a persistent rain dampened the ardor of the tourists but not sufficiently to prevent numerous shopping expeditions and social functions. The last three round-the-world liners have brought to Shanghai most inclement weather but optimism is generally expressed as to the future. We'll see.

It was announced last week that the United States Steel Products Company, Shanghai, had been awarded the contracts to supply the steel materials needed for the construction of the six new river patrol boats which are to be constructed on behalf of the United States Navy by the Kiangnan Dock and Engineering Works of Shanghai. The contract awarded to the U.S. Steel Products Company covers all steel going into the ships with the exception of the armor plate which is to be manufactured by the U.S. Navy Department. The armor plate will be shipped to China in about five months.

The College of Agriculture and Forestry of the University of Nanking is planning to have a Summer School of Rural Training for four weeks during the summer, beginning July 7 and ending August 7. This summer school supersedes the former University Summer School which has merged with the summer school organized and administered by the East China Christian Educational Association. The College of Agriculture and Forestry hopes to make this summer school an annual affair. A charge of $12 will be made to cover tuition, food, room, light, hot water and incidentials for the full four weeks.

At a tiffin given by William Yinson Lee for those interested in the formation of the Chinese Mission to Lepers last week at the Navy Y. M. C. A. officers and the executive committee for this recently organized association were elected. Dr. Fong Sec presided and the following officers were elected: Honorary President, Tong Shao-yi; Honorary vice-President, William Danner, New York; first vice-President, Dr. Fong F. Sec; second vice-President, Dr. E. S. Tyau; Honorary medical adviser, Dr. Henry Fowler; Secretary, P. K. Chu; Treasurer, N. L. Han; Custodian of Collections, J. C. Lind; general secretary, Rev. T. C. Wu.

The semi-annual statement of the National Commercial Bank, Ltd., for the period ended December 31, 1925; shows a net profit for the half year of $601,095.76. Total liabilities are listed at $48,272,051.47, including fixed deposits of $14,492,856.82 and current accounts of $13,767,298.52. The profit and loss account balances at $1,008,316.19. K. C. Yeh is chairman of the Board of Directors of the National Commercial Bank. The managing directors are: Tsiang Yih Tse, Sheng Hsin San, Shu Chin Mih and Chen Shu Tung. The head office at Shanghai is under the managership of Singloh Hsu, with E.N. Chu, C.F. Ma, K.Z. Tsor and J.C. Sun assisting a sub-managers.

Dr. Wang Chung-hwei, former Minister of Justice and Premier of China, who recently returned to China from Europe to act as Chairman of the Chinese Delegation at the Judicial Commission in Peking, has received a cable from the President of Columbia University, New York, requesting his presence in America this coming summer, to give a series of lectures to the students and guests of that university on things Chinese. Dr. Wang is also requested to be the Chinese representative the International Philosophical Convention to be held in Massachusettes in July and August of this year. Whether or not Dr. Wang will accept this invitation is as yet not known.

Until further notice Cal. S. Hirsh of the *North-China Daily News* will act as Shanghai correspondent for the *United Press* succeeding the late Bert L. Kuhn, who died in Shanghai of double pneumonia on February 21. Other Far East correspondents recently appointed by the *United Press* include the following: For Canton and Kwangtung—G. Edward Lyon, Canton. For Singapore, British Malaysia and Siam—A. E. Snewin, Singapore. For the Dutch Indies—B. Sluimers, Semarang. William R. Kuhns continues to be in charge of the *United Press* Manila Bureau and Miles W. Vaughn, Far East Manager with headquarters in Tokyo, is now in Shanghai temporarily. He expects to visit Peking later this spring.

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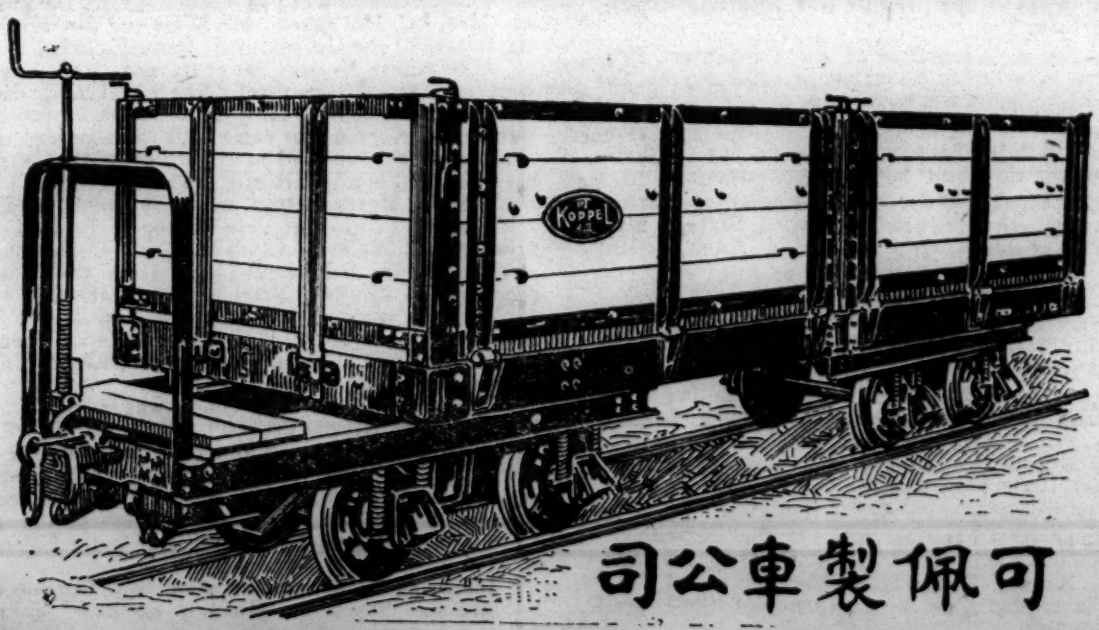

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New Book and Publications

China's New Nationalism

"China's New Nationalism and Other Essays" By Harley Farnsworth MacNair. Published by The Commercial Press, Shanghai, 1925.

This book clears up in a highly logical way some of the more involved features of the Chinese political, psychological and nationalistic puzzle which have been receiving attention since the eyes of the Western world first focused upon these fragments, often little enough understood but generally interpreted regardless.

Dr. MacNair, who is professor of History and Government at St. John's University, in Shanghai, does not fall into an elaborate treatment of the puzzle, and although these essays were written for the most part as separate treatises which appeared as editorials in *The China Weekly Review* in time past, the book gives an impression of following a consecutive chain of thought, each essay being associated with the rest. The essays, moreover, have the advantage of dealing with *current* topics as an editorial must. Background, sufficient to give weight to the currency of the thought, has been instilled into them by Dr. MacNair's historical and political science erudition.

In a chapter entitled "Some Asian Views of White Culture" considerable attention is devoted to those interpreters of Oriental or Western culture who as superficial observers make the all too common mistake of broadcasing their views for their native land's consumption. In noting the tendency, Dr. MacNair dissects one author's methods which he says come "perilously near to falling into the error which Mr. G. W. Cooke so skillfully avoided when he wrote in the preface to his "China and Lower Bengal" in 1860: 'I have, in these letters, introduced no elaborate essay upon Chinese character. It is a great omission. No theme could be more tempting, no object could afford wider scope for ingenious hypothesis, profound generalization and triumphant dogmatism. . . .The truth is, that I have written several very fine characters for the whole Chinese race, but having the misfortune to have the people under my eye at the same time with my essay, they were always saying something or doing something which rubbed so rudely against my hypothesis that in the interest of truth I burnt several successive letters' ".

The inherent democracy of China, the utter lack of idealism in Chinese politics and a clear sighted summary of some of the fallacies regarding racial superiority and inferiority form other psychological and critical studies for the facile pen of Dr. MacNair. The basis of American policy in China, the Modern Chinese Scholar and the Scholar as a Gentleman, Famine Relief At Work in China and some modern political tendencies in the country add scope to the essays all of which have virility and coherence to a high degree.

Of the wiseacres who go about uttering the bromidic slogan that "East is East and West is West and never the Twain shall meet", Dr. MacNair says that it is well to remember the end of Kipling's inspired utterance. For he said in concluding the quotation:

"But there is neither East nor West, Border, nor Breed, nor Birth,
When two strong men stand face to face, tho' they come from the ends of the earth".

L. B. W.

A Music Year Book

Pierre Key's Music Year Book, 1925-26. The Standard Music annual. Published by Pierre Key. Inc., New York, N. Y. USA.

A quite unusual book from the standpoint of musical information contained is the recently published "Music Year Book" for 1925-26 by Pierre Key. Not only is the book an unabridged history of the season's prospects for the Mecca of Music, New York, but the activities of other parts of the United States along musical lines are likewise traced. Special articles include "Music: In Retrospect and Prospect", "Modern Music" "The Case of American Music" "Some Truths About Singing", "Music in England" "Music in France" "The Music Situation in Central Europe" "The Present Music Situation in Italy" "Music in Russia," "Latin

A PRACTICAL PEACE PLAN FOR CHINA

This is the prize essay which points the way to a peaceful unification of China.

This Essay was awarded the prize of Mex. $1,000 by The China Weekly Review in association with a number of public spirited Chinese and foreign citizens several months ago. There is an introduction by Sir Robert Hu Tung.

The Practical Peace Plan is still timely and should be read by all patriotic Chinese.

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Europe and the American Musician" and "Spain And Its Music of Today" in authoritative discussions of these important topics.

The volume is chiefly valuable, however, for its musical data, collected after the manner of a "Who's Who" among Musical organizations societies, foundations, federations, teachers, prize competitions, famous musicians heard in American, early and recent, concerts, recitals and opera promised for 1925-26, representative symphony orchestras in America, conductors, managements of concerts and miscellaneous foreign music data.

L. B. W.

We are just in receipt of a copy of the North China Desk Hong List, 1926, compiled and published by the *North China Daily News* (Shanghai). This hong list has always been very useful to the business man and the resident of China, especially Shanghai, and this year's publication is no exception. The list contains the regular Shanghai hong list, shipping, railways, agencies, trade directory, Shanghai who's who, residential directory, outport disectory and hong list, outport who's who, outport missionaries and general information. It is one book that should be on the desk of every business and professional man.

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—An easier undertone than has been experienced for some time past may be said to have characterised our market during the week under review and which is attributable, on the one hand, to necessitated liquidation on the part of those affected by the continued inactivity now existent in the foreign fibre and on the other, to the apparent indifference to the local staple on the part of spinners who are now busy with replenishing their storing space with previously and timely ordered American and Indian staples which are arriving and of which deliveries are now being taken.

The general sentiment for the time being appears to be bearish but it is extremely difficult to foresee the trend of the market in so far as to outline any definite situation in the immediate future and for that reason it would appear advisable for the moment to take advantage of any favorable offerings with a view to cover immediate requirements in that reactions may set in when least expected.

Yarn:—Since our previous report, the yarn market has experienced a further decline of Tls. 2.00 to Tls. 3.00 due to the weakness of the world cotton markets and the limited demands from exporters on account of the continued internal political disturbances. New business for export has been booked some 7000 to 8000 bales in all counts during the week under review.

Liverpool:—

American-Middling	9 81
„ -Middling last reported....	9.97

Tone of market, *Steady.*

Indian Market:—

Fully Good Bengal, March	266
Fine Oomra March.....	330
Fully Good Broach, Apr./May..	355

Tone of the market:—*Steady.*

New York Market:—

Price of Mid-American.	1925	Spot.
	18.63	May.
	18.10	July.
	17.34	Oct.
	17.02	Dec.
	16.99	Jan.

Tone of the market:—*Steady.*

Shanghai Market:—

Tungchow, spot ex wharf	Tls.	33.00
Shanghai, Spot.....	„	32.00
M. Ginned, Spot	„	32.50
Shensi, No. 1 Spot	„	30.00
Ningpo, Spot.....	„	30.50

Tone of the market:—*Weak.*

The Week in the Far East

The port of Tientsin is closed due to the action of the Taku forts firing on every vessel that attempts to cross the bar, going out or in. This lead to the pilot association refusing to risk taking ships over the bar. Since the shelling of the forts by the Fengtien cruisers the fort with its three inch field pieces has taken no chances on any craft in the channel. After being under fire several times the pilots sent a representative to confer with the officers at the fort.

The Kuominchun officers there said that they had instructions from Tientsin to fire on all boats and they must do so. This is causing merchant vessels of several nationalities to be hung up outside the bar and those inside to remain at their berths.

Although the post office last week had no reports on what had happened, the closing of Tientsin completely cuts Peking off from the rest of the World so far as mail or transportation facilities are concerned. It is no longer possible to bring the foreign mails, either from America or Europe in, and there is no way in which passengers can get out.

The old mail routes by rail from Japan through Mukden or from Shanghai by rail, or the substitute rail route via Hankow, have all long been closed, the single way being by boat to Tientsin. Now that is closed.

Taku Forts Fire Upon Gunboats

Although little interest has been manifested in the North China struggle between the Kuominchun forces and the Fengtien-Wu combination during the last few weeks, the week under review was featured by an incident which, though unlikely to cause any serious complications, was of much importance. Three Japanese, including the commander of a Japanese gunboat Flotila, were wounded on the evening of March 12 when the forts at Taku Bar, occupied by Kuominchun forces, opened fire on the two Japanese gunboats. Although it was expected that the Chinese officials would express regret at the incident, on the contrary the Chinese Ministry of Foreign Affairs sent a strong protest to Japan, blaming the commander of the two Japanese gunboats for the episode. It is reported that the gunboats returned the fire, which came from machine guns, and then returned seaward. At the meeting of the Peking Cabinet the the day following the incident it was decided that an investigation committee should immediately proceed to Tangku to inquire into the affair. A later report stated that only rifle fire was directed at the gunboats by the Kuominchun and the destroyers returned with machine-guns.

Powers Deliver Ultimatum

On March 13 the Powers delivered an ultimatum to the Waichiaopu to the effect that if the mines, which had been placed in Taku Channel by the Kuominchun forces, were not taken out by the Morning tide on Monday, March 15, they (the Powers) would take steps to remove them and keep the approach to Tientsin open to commerce. The naval commanders at the conference decided also that the neutralization of the river from Taku to Tientsin is strongly approved rather than making any arrangements with the Chinese military, which would be subject to violation, especially since the latter would imply the right of the Chinese to close the river, which is contrary to the Treaties.

The Japanese Consul-General in Tientsin issued on March 12 the following statement, according to *Reuters Pacific Service*:

"Late last night the Japanese Consul-General got a report that four Japanese destroyers had arrived at Taku and one was coming to Tientsin this afternhon. The Consul-General therefore notified General Lu Chung-lin this morning that a Japanese destroyer was coming up river and this was duly communicatied to the Chinese troops at Tangku.

"On the other hand our representative at Tangku went to the fort early this morning and accompanied by a Chinese officer from the fort proceeded by a Japanese launch to the destroyers outside the bar to meet the commanding officer. The launch came back with two of the destoryers at 3.40. The launch was proceeding ahead of the destroyers and drew near the forts and the Chinese officer got off to report to the officer-in-charge of the forts, when the forts began to fire on the destroyers.

"There must have been some misunderstanding on the part of the forts.

"The destroyers then turned back replying to the fire from the forts."

Commenting on the firing on the Japanese destroyers a Foreign Office spokesman said that the matter was regarded seriously but the Government was awaiting further details before deciding on what action it would take, according to a *Reuter* dispatch from Tokyo. It was indicated that nothing but a vigorous protest was likely, as the Government thought that the firing was probably due to a misunderstanding.

The spokesman expressed fear, however, that there would be a repetition of similar episodes against foreign ships generally, as the Kuominchun, he declared, were undisciplined troops.

The Foreign Office has issued a statement to the effect that it did not expect to retaliate, but it would demand absolute assurance that there should be no recurrences of a similar description in future. The Foreign Office principally fears the anger of the Japanese public, but the attitude of the people is believed to be much different from what it was a decade ago, when such an incident would have aroused terrific indignation.

One destroyer has gone to Port Arthur with the wounded men; others have anchored at Taku and are awaiting instructions. The Government is awaiting suggestions from the meeting of the allied Consular Body at Tientsin. It is stated that Japan may act independently, but it is hoped that the Powers will agree on some method of future protection. The matter of the punishment of the Chinese attackers and the question of indemnities will be considered by Japan later.

"Twice within a period of less than three months China has brought herself on the verge of a national catastrophe", says *The Shanghai Times* editorially. "And were it not for the calm deliberations of representatives of the Powers, there can be no question but that serious consequences would have resulted." This paper was referring to the Chinese Eastern Railway dispute with the Soviets and the firing on the Japanese gunboats by Chinese stationed at Taku Forts. "In this instance," proceeds this paper, "too high praise cannot be given to the careful manner in which the Japanese Foreign Office has acted. On more than one occasion Japan has shown that she knows how to handle delicate situations in China.....It is noteworthy that in this incident Japan has expressed the opinion that she may have to act independently in this action, but at the same time she hopes that the Powers will agree on some method which will ensure protection for all foreign interests. Seeing that the danger has been borne by shipping, flying the flags of all the Powers, there should be little hesitancy in a desire to share responsibility for guaranteeing protection for all nationals."

The Chinese Version

In regard to the opening of the Taku Bar, the Diplomatic Corps of Peking has decided to maintain perfect neutrality there and at the same time protect commercial shipping by authorized foreign warships, so that Chinese and foreign liners may enter and leave Taku freely, according to a *Kuo Wen Agency* dispatch this week.

The firing on the Japanese gunboats at Taku by the Chinese and the wounding of Japanese naval officers will not become a real diplomatic issue since the whole thing was due to a misundertanding caused by the Japanese gunboats which entered Taku Bar outside specified hours and ignored the conditions set out by the Kuominchun and previously agreed upon between the parties concerned.

Furthermore, the Taku Port did not return fire on the Japanese gunboats, which started with field batteries and the bullets; the infantry guns of the Chinese soldiers could not reach the said gunboats and wound Japanese naval officers. If they were actually wounded, they could not be sent back to Port Arthur without been examined by the authorities in Tientsin. Mr. Huang Chung-fah, one of the secretaries of the Chinese Ministry of Foreign Affairs has been sent to Tientsin to look into the real situation there connected with the matter.

Fighting Around Tientsin

The fortunes of the armies fighting around Tientsin and farther north shift from one to the other, and it is doubtful how the struggle will end. The Kuominchun representatives have been conferring with representatives of the Fengtien but as yet nothing definate has developed. General Lu Chung-lin, of the Kuominchun, in a telegram concedes the feasibility of surrendering Jehol to Fengtien, but scouts the suggestion that Chihli also be surrendered.

A *Reuter* dispatch states that on the general question of a rapprochement with Mukden General Lu Chung-lin suggests that Fengtien has been weakened considerably by the disappearance of General Kuo Sung-lin and General Chiang Teng-hsuan, and also by the defeat of General Li Ching-lin and General Chang Chung-chang, which he claims is attitude he considers it will more easily come to terms with Fengtien than if weakness is shown. There is no reason, he declared finally, why they should sue for peace when the Kuominchun is steadily gaining ground. For himself, he swears he will fight to the last.

Wu Pei-fu Takes Hsinyangchow

The city of Hsinyangchow, which had been besieged by Wu Pei-fu's forces for some time, and where a missionary recently lost his life at the hands of the troops, surrendered unconditionally on the afternoon of March 11 and thus gives Wu Pei-fu a firm foothold in Honan Province,since the city was the Kuominchun's stronghold. The night of the treaty-signing day witnissed three unsuccessful attempts of the Kuominchun troops to break from the city.

GENERAL NEWS SUMMARY

March 13—The British Naval Estimates have been adopted by the House of Commons——A sensation has been caused in Ireland by the resignation of Mr. de Valera from the presidency of the Sinn Fein——Wild scenes were witnessed on Thursday in the Japanese Diet when members came to fisticuffs——France has reopened negotiations for the settlement of her debt to the United States——The new Dutch Cabinet is described by Jonkheer Degeer as strictly extraparliamentary——No progress has yet been made with regard to the settlement of the crisis at Geneva, and the situation is still grave.

March 14—Well informed circles in London consider the position at Geneva in regard to Germany's admission to the League as serious——Fascist syndicalism in Italy now comprises 2,000,000 agricultural and industrial workers——Dr. Geelkerken, who refused to acknowledge belief in the literal truth of chapters in Genesis has been suspended for three months——An armed conflict has taken place in one Mexican Church when the Government attempted to close it under the new law——A daring attempt has been discovered to smuggle liquor into the United States as colored earth——For alleged violation of the prohibition law a guest arrested his host at San Diego——Capt. Cobham has arrived in England after completing his flight from London to Capetown and back——Mr. Ellison, who was imprisoned in Italy for making offensive remarks about Signor Mussolini has been expelled from the country after being pardoned by the King of Italy——At Taku two Japanese destroyers on their way to Tientsin were fired upon from the Taku forts.——The Powers have delivered an ultimatum to the Waichiaopu calling upon it to have the mines off Taku removed by this morning's tide.

March 15—While the situation at Geneva is still regarded as serious there are some hopes that a solution of the difficulty will be found——The Church Council of Amsterdam South has decided to support the Rev. Geelkerken who has been suspended by the Dutch Synod ——The Soviet at Moscow has decided to give life pensions to the survivors of those who were convicted of participation in the assassination of Alexander II——The U. S. House of Representatives has issued a report as a result of their investigation into the subject of the Rubber monopoly——Mr. E. H. Gary, President of the American Iron & Steel institute, has issued a statement on the subject of American steel rails in Japan——Under the Canadian Anti-Combines Act eight fruit producing firms have been fined $25,000 gold each——The ultimatum which the Powers delivered to the Waichiaopu on Saturday has been extended from Monday to Tuesuay——The Japanese press is strangely silent over the situation created by the bombardment of Japanese vessels by the forts at Taku.

March 16—The obduracy of Brazil, which is insisting on having a seat on the Council of the League if Germany does, is creating a serious situation——Senator Borah has introduced a resolution into the U. S. Senate asking for an inquiry into Allied violation of the rights of neutrals prior to the entry of the U. S. into the war——Over one hundred persons have been indicted at Cleveland, Ohio, in connection with an alleged bootlegging conspiracy—— The casualty roll in the Costa Rica train disaster has now reached 248 killed——The International Conference on the subject ofthe eight hour day has been opened in England ——London and Berlin is now linked up by telephone——The ultimatum signed by five Powers has been presented to the warring commanders at Tientsin calling upon them to free the entrance to the port by Thursday noon.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price March 4th.	Sale Price March 11th.	Approx. Yield to Maturity March 11th.
Szecho-Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	101⅛	101⅛	7.85
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	96	96	7.90
Republic of Chile S. F. Loan	7	Nov. 1, 1942	101	101¼	6.85
Argentine Government Ser. "A"	6	Sept. 1, 1957	98½	98¾	6.10
German Government S. F. Loan	7	Oct. 15, 1949	102⅛	102⅜	6.80
Kingdom of Norway S. F. Loan	6	Aug. 15, 1943	101⅜	101⅜	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	96⅛	96½	7.30
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	82	82¾	4.83
Belgian Government S. F. Loan	6	Jan. 1, 1955	86⅜	87¼	7.05
Andes Copper Mining Co. Debentures	7	Jan. 1, 1943	99	99⅛	7.05
German General Electric Co. S. F. Loan	7	Jan. 15, 1945	97¼	98	7.20
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan	7	Feb. 1, 1945	95	96	7.40
Cuban Northern RR. Co. 1st Mtge. Loan	6	July 1, 1966	96	96	6.25
Dodge Brothers Inc. Debentures	6	May 1, 1940	96	96	6.45
Republic of Haiti	6	Oct. 1, 1952	97⅜	97⅛	6.20
Czecho Slovak Government Ext. S.F. Loan	7½	Nov. 1, 1945	98⅛	99	7.60
Kingdon of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	94½	94⅜	7.50

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Commercial Japan for February

Though the price of both silk and cotton yarn declined to the new level, the market is expected to improve by degrees. Quantities of raw silk exported from Yokohama and Kobe during February 25,400 bales. Quotation of raw silk exported from Yokohama and Kobe during February forward delivery in the Yokohama Silk Exchange on March 10 was yen 180. Output of cotton yarn during February, according to the return of the Japan Spinner's Ass'n. was 214,000 bales. Quantity exported, 11,000 bales. Cotton piece goods exported, 86 million yeards. Trans-Pacific freight rate for lumber at the beginning of March quoted under G$10.

Foreign Trade of Japan during February:

Value of Exports.....160 million yen
" " Imports.....243 " "
Excess of Imports ..... 83 " "

Trade of Japan with China during February:

Value of Exports..... 48 million yen
" " Imports ..... 23 " "
Excess of Exports ..... 25 " "

Money market: Inactive. Rate of Fxchange quoted by YokohamaSpecie Bank, Tokyo, March 10: On New York, T. T. G$ 45; On London, T. T. ls 10d 3/16.

Chinese Government To Float A New Loan

It was officially announced last week that the Cabinet decided to adopt a proposal preferred by the Minister of Finance for the flotation of a new internal loan of twenty million dollars which will be known as the fifteenth year loan of the Republic. It will be secured on the German Boxer Indemnity funds. Interest will be at eight per cent and the loan will be floated at ninety, after which six per cent will be deducted by the bankers for commission. It will be taken up in three monthly instalments.

The purposes for which the proceeds will be expended are officially stated as follows: (1) to redeem the Spring Festival Treasury Bonds recently issued to the amount of eight million dollars: (2) to meet the expenses of Chinese legations and consulates abroad for a period of three years, and (3) to meet the administrative and military expenses of the Central Government for the same period.

Shanghai Exchange for Week Ending Wednesday, March 17, 1926.

By Maitland, Fearon and Brand

Exchange:—Since the date of our last circular, the price of Bar Silver in London has declined $\frac{6}{16}$d. ready and ¼d. forward, today's quotations are respectively 30½. and 30¾d. Our official T/T rate on London remained unchanged at 3/od. till yesterday, when it was lowered to 2/11$\frac{15}{16}$d., which is the rate ruling today. Little can be said of the exchange market, which in regard to Imports and Exports has, even for recent times, been unusually quiet and inactive. Speculators have operated to a certain extent in selling Yen, which fact has kept the market steadier than othewise it might have been. Money is easy and local stocks of silver, according to our sources of information are likely further to increase. The following quotations for Gold remittances are available at the close of today's market;—T/T on London 3/od., New York 73, Japan 62; 4 m s export paper can be placed as follows;—Sterling 3/o$\frac{3}{4}$d. G$ 74⅜.

Our stocks of Silver are reported as follows:—

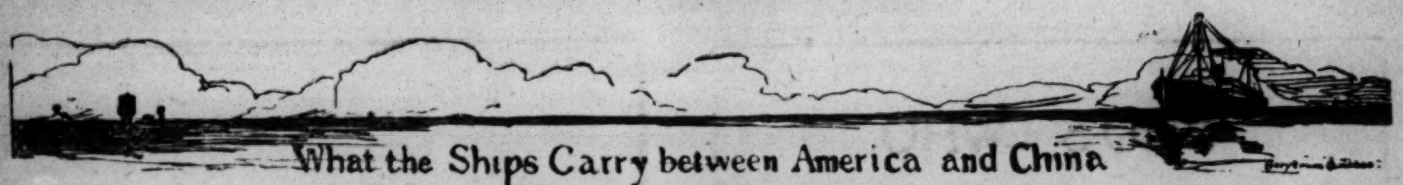
Sycee and Bar Silver.....Tls 62,597,000 an increase of Tls. 2,874,000.
Chinese and Mexican Dollars.....$ 70,860,000 an increase of $ 1,570,000.

Estimated value Tls. 113,616,000 as against Tls. 102,851,000 held at this time last year.

	Average rates for Feb.	Thurs. Mar. 11	Fri. Mar. 12	Satur. Mar. 13	Monday Mar. 15	Thrs. March 16	Wednesday March 17
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/0 231	3/0	3/0	3/0	3/0	3/0 2/11⅞	2/11⅞
O/Dfts. ,,	—	3/0 1/16	3/0 1/16	3/0 1/16	3/0 1/16	3/0 1/16 3/0 1/16	2/11 13/16
4m/s ,,	—	3/0¼	3/0¼	3/0¼	3/0¼	3/0¼ 3/0⅜	3/0⅜
T/T India	199 875	198¼	198¼	198¼	198¼	198¼ 197½	198
T/T France	1,996.500	2000	2010	2000	2010	2025 2020	2015
T/T N. Y.	73.425	72⅜	72⅞	72⅞	72⅞	72⅞ 72⅜	72⅜
T/T Hong	78.906	77¼	77¼	77¼	77½	77¼ 77¼	77⅛
T/T Japan	62.275	62½	62	62½	62½	62¼ 62¼	62⅜
T/T Batavia	181.575	180⅜	181	181	181	181 180½	180½
T/T Strats	77.712	78	78	78	78	78 78¼	78⅛
Bk's buying rates							
4m/s B/L. Cred. D. A	3/1.325	3/1	3/0⅞	3/0⅞	3/0⅞	3/0⅞ 3/0 15/16	3/0 15/16
4m/s ,, D/P	—	3/1⅛	3/1	3/1	3/1	3/1 3/1 1/16	3/0 15/16
4m/s ,, D/A	3/1.700	3/1⅛	3/1¼	3/1¼	3/1¼	3/1 1/16 3/1 1/16	3/1 1/16
4m/s B/F. C., D/A, D/P	1,084.500	1080	2090	1080	2090	2100 2100	2100
4m/s N. Y. Lc.	75.306	74⅝	74⅝	74⅝	74⅝	74⅝ 74⅝	74⅝
4m/s ,, Does	—	74⅞	74⅞	74⅞	74⅞	74⅝ 74⅝	74⅝

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	March 11	March 12	March 13	March 15	March 16	March 17
*London Price of Bar Silver per oz (English Standard 925 touch) Pence.	30⅛	30 1/16	30 1/16	30 1/16	30½	30½
**N. Y. Price of Bar Silver per oz. (Pure)	G.$.66	G.$.66⅛	G.$.66	G.$.65⅞	G.$.65⅞	G.$.65⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	300.50	303.70	303.40	305.40	302.70	30?.?0
Shanghai Silver Bars (weight Tls 100 (C.) 999 touch)	111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per $100...	71.60	71.60	71.5875	71.45	71.325	71.375
Native Bank Rate of Interest (Call-money)	2%	2%	2%	2%	2%	2%
*Closing Priece in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London on Paris	T/T 134.66
Bank of France rate of discount	6%	New York on London	T/T 4 86½
London open Market of Dis. 3 ms/.	4⅛%	Bombay on London	T/T 1/6 32
,, 4 ,,	4⅛%	Hongkong on ,,	T/T 2/3½
,, 6 ,,	4¼%	Kobe ,, ,, ,,	T/T 1/10⅜



What the Ships Carry between America and China

Return of the Shanghai Customs

By: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Feb. Customs Rate Tls. 1.19 equal Gold $1

S.S. Empress of Russia, Feb. 6.

To Seattle.

Umbrellas, Paper ..... Pcs. 1,152

To Wilmington.

Skins, Goat, Untanned Pcs. 66,300

To Glens Falls.

Silk, Waste:
Other Ports..Bls. 83 Pls. 303.69

To Houston.

Hair, Human..... Pls. 37

To Luzerne, Pa.

Silk Raw, Steam Filature:
White, S'hai Bls. 10 Pls. 9.97

To Huntingdon.

Silk, Raw, Steam Filature:
White, S'hai Bls. 25 Pls. 24.69

To Archbald.

Silk, Raw, Steam Filature:
White, S'hai Bls. 10 Pls. 9.92

To Scranton.

Silk, Raw, Re-reeled:
White, other Ports,
Bls. 10 ..... Pls. 10.30

Silk, Raw, Filature:
White, other Ports
Bls. 50 ..... ,, 50.48

To White Hall.

Silk Cocoons, Domestic, Pierced:
Shanghai ...Bls. 14 Pls. 42.24

Silk, Waste:
Other Ports..Bls.230 ,, 250.00

To Toledo, Ohio.

Carpets.....Hk. Tls. 161

To Baltimore.

Umbrellas, Paper ..... Pcs. 8,600

To Boston.

Silk Waste:
Shanghai....Bls. 16 Pls. 47.95
Other Ports.. ,, 38 ,, 122.55
Walnuts, Kernels..... ,, 413

To Buffalo.

Silk, Raw, Steam Filature:
While, S'hai, Bls. 60 Pls. 58.95

To Chicago.

Silk, Raw, Filature:
Wild, other Ports
Bls. 50 ..... Pls. 50.57

To New York.

Silk, Raw, Re-reeled:
White, other Ports,
Bls. 45 ..... Pls. 38.10

Silk, Raw, Steam Filature:
White, S'hai Bls.447 ,, 447.07
,, other Ports ,, 605 ,, 475.00
Yellow, S'hai ,, 10 ,, 10.02
,, Hankow ,, 5 ,, 550.

Silk, Raw, Filature:
Wild, other Ports
Bls. 101 ..... ,, 102.99

Silk, Waste:
Shanghai ....Bls. 2 ,, 6.54
Other Ports.. ,, 90 ,, 301.61
Silk Piece Goods ..... ,, 5.62
,, Pongees, Honan .. ,, 43.54
,, ,, Shantung. ,, 11.59
Feathers ..... ,, 73
Intestines, Pigs', Salted ,, 63
,, Sheep's, ,, ,, 132
Hats, Fibre ..... Pcs. 600
,, Hemp..... ,, 2,250
,, Rush ..... ,, 24,000
,, Woodshaving ... ,, 3,600
Skins, Goat, Untanned ,, 54,165
,, Kid ..... ,, 3,806
,, Lamb ..... ,, 25,353
,, Marmot..... ,, 30,155
,, Mole..... ,, 8,752
,, Rabbit ..... ,, 5,343
Carpets .....Hk. Tls. 7,775

S.S. Karmala, February 11.

To New York.

Silk, Raw, Steam Filature:
Yellow, H'kow Bls.44 Pls. 43.33
,, other Ports ,, 36 ,, 35.73

President Garfield, February 11.

To Philadelphia.

Hair, Goat..... Pls. 74
,, Horse..... ,, 255

To Boston.

Silk, Waste:
Other Ports..Bls. 80 Pls. 100
Feathers ..... ,, 42
Nutgalls ..... ,, 420
Sugar, Brown ..... ,, 10
Yeast ..... ,, 23
Skins, Goat, Untanned Pcs. 191,771
Carpets .....Hk. Tls. 202

To Chicago.

Soapstone Ornament... Pls. 18

To New York.

Antimony, Crude .... Pls. 1,176
,, Oxide .... ,, 168
,, Regulus ... ,, 420
Brassware ..... ,, 32
Bristles ..... ,, 245
Chinaware, Fine..... ,, 23
Egg Albumen, Dried... ,, 84
Feather..... ,, 116
Hair, Cow ..... ,, 18
,, Goat ..... ,, 29
,, Human..... ,, 131
Hides, Buffalo..... ,, 140
Intestines, Pigs', Salted. ,, 180
,, Sheep's, ,, ,, 42
Lacquerware ..... ,, 18
Nutgalls ..... ,, 223
Soapstone Ornament... ,, 23
Soy..... ,, 102
Tungsten Ore..... ,, 420
Turnips, Salted ..... ,, 23
Wool, Sheep's ..... ,, 63
Skins, Goat, Untanned Pcs. 152,992
Carpets .....Hk. Tls. 8,073

S.S. Ethan Allen, February 17.

from U. S. of America.

Cotton, Raw, Bls. 700 Pls. 2,508
Iron Galvanized:
Wire Shorts ..... ,, 872
Carbon, Black..... ,, 173
Wax, Paraffin..... ,, 509

S.S. President Taft, February 17.

from U. S. of America.

Leadfoil and Tinfoil.... Pls. 569
Asparagus, Canned.... ,, 98
Bones, Cow ..... ,, 450
Canned Fruits..... ,, 56
Grease, Mineral..... ,, 200
Ink, Printing..... ,, 74
Leather, Sole ..... ,, 756
Milk, Condensed ..... ,, 900
Oranges, Fresh ..... ,, 106
Raisins ..... ,, 2,427
Soda, Crystal ..... ,, 150
Shrimps, Dried ..... ,, 245
Sugar Cube..... ,, 16
Tobacco, Leaf..... ,, 3,524
,, Prepared .... ,, 3
Canned Meats ..... Doz. 414
,, Sardines ..... ,, 820
,, Goods, Unclassed ,, 1,817
Oil, Lubricating, Mineral Galls. 22,857
Cigarettes ..... Mille 53,490
Lemons..... Pcs. 19,050
Treasure:
Silver Bars ....Hk. Tls. 1,051,150

S.S. President Pierce, February 17.

To San Francisco.

Tea, Black, Congou... Pls. 3
Antimony, Oxide ..... ,, 336
Brassware ..... ,, 22
Chinaware, Fine..... ,, 26
Egg Albumen, Moist .. ,, 465
,, Yolk, Moist..... ,, 510
Fire-crackers..... ,, 10
Oil, Wood..... ,, 4,860
Walnuts, Kernels ..... ,, 516
Woodware..... ,, 21
Umbrellas, Paper..... Pcs. 1,440

To Charleston.

Hair, Human..... Pls. 50

To Philadelphia.

Carpets .....Hk. Tls. 5,692

To Boston.

Skins, Goat, Untanned. Pcs. 25,000

To Portland.

Walnuts, Kernels ..... Pls. 21

To New York.

Silk, Raw, Steam Filature:
White, S'hai, Bls.115 Pls. 114.86
Antimony Regulus.... ,, 722
Chinaware, Fine..... ,, 13
Egg Albumen, Dried .. ,, 300
Intestines, Pigs', Salted ,, 17
,, Sheep's, ,, ,, 9
Nutgalls ..... ,, 44
Skins, Dog, Tanned.. Pcs. 200
,, Lamb ..... ,, 6,013
,, Leopard..... ,, 140
,, Marmot..... ,, 8,613
Carpets .....Hk. Tls. 51,289

S.S. Rhine Maru, February 18.

from U. S. A.

Cotton, Raw..Bls. 500 Pls. 1,760
Gum, Resin..... ,, 3,084
Indigo Paste, Artificial,
20 per cent..... ,, 1,030
Leadfoil and Tinfoil.... ,, 197
Tobacco, Leaf..... ,, 7,266

S.S. Siberia Maru, February 23.

To San Francisco.

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